

SATURDAY NIGHT

THE CANADIAN ILLUSTRATED WEEKLY

Vol. 53, No. 15

Three Sections

TORONTO, CANADA, FEBRUARY 12, 1938

Established A.D. 1887

10 Cents

THE FRONT PAGE

IT SEEMS to be in the nature of things that in a dictatorship, which is a highly rigid political structure, change can be effected only by explosion and never by a gentle and gradual process of adaptation. An explosion has just occurred in Germany, and even yet the dust has scarcely settled sufficiently to allow us to determine just what caused it and in what condition the German political structure is left as a result.

A few things are clear in the general confusion. The Nazi party has not gained control of the Army. Fritsch and eighteen "Christian" conservative Generals have been dismissed, their successors are merely slightly younger men of the same school. Moreover the Army has won one of its main points, the removal of War Minister von Blomberg, whom it has long regarded as an insufficiently vigorous upholder of the Army viewpoint in opposition to the Italian connection, the Spanish adventure, and the recurrent demands for some wild move or other in Danzig, Austria or elsewhere.

On another of the Army's contentions with the Party, concerning the Church issue, in connection with which its relations with Himmler's S.S. Guards and Gestapo police have long been very bitter, it is not yet clear which side has made progress. The new Commander, Brauchitsch, appears to hold substantially the same religious views as Fritsch. By the time these lines are read, the outcome, or at least the manner of procedure, of the Niemöller trial may have given some indication of the relative strength of the two parties.

The shake-up in the Foreign Office has made Hitler's own man, von Ribbentrop, Foreign Minister, but has placed him under the conservative von Neurath and a unified Foreign Policy Cabinet in which the Army is strongly represented and the Foreign Bureau heads of the Nazi Party, Rosenberg and von Bohle, are significantly left out. On the whole the personal power of Herr Hitler seems to be greater than ever, but it has been increased at the cost, or for the purpose, of avoiding settlement of several highly contentious issues which remain to embarrass and imperil the régime; and because of these issues and because of the temperamental character of the Fuehrer himself, the future policy of Germany can hardly fail to be more unpredictable and therefore more dangerous.

BENNETT-HERRIDGE POLICY

THE importance of the somewhat mystifying speech by Mr. Herridge to which we referred last week is certainly not diminished by its rapid follow-up by Mr. Bennett. Lacking the genius for the oracular with which Mr. Herridge is so plentifully endowed, Mr. Bennett makes the trend of the family thought much more visible to the naked eye, but also much more accessible to hostile criticism; and the Montreal Gazette lost no time in declaring that this sort of thing must not be taken as representing Conservative policy until a Conservative convention has had a chance to say something about it.

What the Bennett-Herridge policy contemplates is quite evidently a closed economy with external trade regulated in such a manner as to discourage imports, apparently with very little regard to the question, how exports are to be paid for. The doctrine enunciated by Mr. Bennett on Monday of last week in the debate on the Address is perhaps the most startling that has been put forth by a leader of a major political party since Confederation. It was to the effect that the way to prevent war is to prevent other nations from selling you goods. "If you have a protective system by which the commodities of other countries do not find free access to your markets, then the likelihood of competition between countries that can come into your market without restriction is far less than it otherwise would be." Wars of commercial origin, in Mr. Bennett's opinion, are never the result of restrictions of trade; they are the result of freedom of trade. We are therefore, it would seem, to keep other countries out of our markets, not merely in order to protect our own producers, but to make sure that these other countries will not get into "cut-throat competition" over our market and finally start going to war about it. It is an interesting theory, and probably not too fantastic to find adherents in these fantastic days.

IT IS to be borne in mind that the closed economy policy has a strong appeal to all those various political thinkers who would like to set up some kind of special economic system, whether Socialistic, Social Credit or what have you, in this Dominion, and who realize that their various systems cannot be operated except behind a wall that will keep out all the influences of the world price level. Foreign trade is anathema to the Socialists because they consider it to involve cheap labor costs and competition with colored or exploited labor in other countries. It is equally anathema to the Social Credit people, because their idea of the control of production and consumption and the establishment of the "just price" similarly involves a market entirely free from external influences. These elements will obviously constitute rather odd bedfellows for the manufacturers who have hitherto constituted the backbone of the protectionist interest; but these are days of new and surprising combinations.

The Gazette, which has very little use for either Socialism or Social Credit, was unkind enough to remind Mr. Bennett of his famous Quebec speech in favor of low production costs and export trade, delivered on his return from one of his visits to England, a speech which greatly heartened all the believers in orthodox economics. But this was hardly fair, for the Quebec speech stands alone among Mr.



"MALLARD'S ICE PALACE." Wild ducks spend the winter in Vancouver's Stanley Park beside an ice cone formed from the spray of a fountain. The photograph was taken by L. W. Chatwin, 3868-10th Ave. West, Vancouver, with a Recomar camera and Panatomic film developed in D-76.

Bennett's utterances, and was undoubtedly the result of too much exposure to the Adam Smith atmosphere of London. It required only a few months of re-exposure to the Herridge influence to get rid of this coat of trans-Atlantic tan and restore Mr. Bennett's intellectual complexion to a suitable hue for the delivery of the New Deal broadcasts. It is now evident that coloration still persists.

CBC MAKES ITS CASE

MR. BROCKINGTON, the Chairman of the Board of Governors of the Canadian Broadcasting Corporation, delivered a broadcast last week which was intended to reassure those Canadians who have felt some alarm at the prospect of the Corporation's large and costly setup of broadcasting facilities being extensively used for the dissemination of commercial programs of American origin. He used one phrase which suggested a lively consciousness that such dissemination is not exactly a proper function of a national broadcasting organization, when he asked his hearers to support the national system "even though during transition and development periods it is necessary to accept a restricted and selected number of so-called commercial programs"; and there was the same suggestion of temporariness in his reference to the Corporation's revenue from commercial sources: "Beyond the figure of \$500,000 of commercial revenue from network and local stations it is not the desire nor the intention of the Corporation to go, and that only until we are self-supporting from other sources." In this connection he added that the total commercial revenue for the current fiscal year would be less than \$400,000, and that the revenue from the American commercial programs was \$120,000; so that if the shortage of \$100,000 between desired and present revenues were entirely made up from American sources the whole sum required from those sources

would only be in the neighborhood of \$225,000. We suggest that if it is desirable in the long run that the publicly owned broadcasting facilities of the people of Canada should be entirely free from these foreign commercial broadcasts—and that seems to be the unquestionable assumption underlying both of these statements of the chairman—it may well be desirable to get rid of them at the present time, by the simple means of inducing Parliament to vote the requisite sum.

MR. BROCKINGTON'S account of the manner in which the ninety-eight hours of the week on the Corporation's wire network is distributed was no doubt accurate as regards those points at which the Corporation has only one station. But it took no account of the situation in Toronto and Montreal, where the Corporation has two outlets, one of exceptionally high power and very attractive to large-scale advertisers, and the other of low power and purely local range. For the network as a whole Mr. Brockington made the statement that only eight and three-quarter hours were devoted to American advertising programs and seventeen and one-half hours to American sustaining programs, a total of twenty-six and a quarter hours. This statement may be perfectly true for the small station or wavelength known as CFCY in Toronto, but cannot possibly apply to the time schedule of the powerful station CBL. This station, and its Montreal counterpart, are being very extensively advertised by the American NBC as new and important additions to the facilities which they are able to offer to their clients, in a manner which suggests either that the CBC has failed to notify the NBC that its ultimate objective is to get rid of American commercial programs, or else has accompanied the notification with a hint that that ultimate objective is a very long way off.

It is reassuring also to learn from Mr. Brockington (Continued on Page Three)

THE PASSING SHOW

BY HAL FRANK

TRADITION was fully observed at the opening of Parliament. There were the customary booming of guns and the customary newspaper editorials on the railway problem.

It has been suggested that the United States be given back to the small business men. Can that be the reason why their delegation to Washington acted like a lot of Indians?

H. G. Wells is calling his new book, "World Brain". We haven't had any advance information about it, but obviously it must be a fantasy.

The circus provided by the conference of small business men at Washington has revealed one essential point of difference between the small business man and the big business man. The big business man is quieter.

Women have had to pay the price for stepping into men's shoes. According to a Cleveland shoe dealer, women's feet during the past ten years have increased two and a half sizes.

If we can believe the enthusiastic reports from New York, says Oscar, a new film charmer has loomed upon the screen. She is Snow-White, a Disney brunette.

Hollywood, as a matter of fact, is becoming alarmed over the success of Mr. Disney's creatures of fancy. Are film actors mice or men? they shout.

The difference between a depression and a recession, according to Timus, is about six years.

Italy has adopted the goose-step, thus revealing fascist regimentation for the first time in its true feathers.

One by one the rights of males are invaded by the opposite sex. According to an American doctor, women are less chaste than men.

The threat of Niagara ice to the hydro-electric plants was an unpleasant reminder that Hydro must be constantly alert to acts of God as well as acts of Parliament.

The decision of the United States to build a bigger navy is not surprising. There have been other signs of the increasing determination of Americans that nothing shall prevent the opening of the World's Fair in 1939.

The recent "bloodless" purge in Germany provided another shining example of the German knack of getting rid of the wrong people.

General Goering must be deeply grateful for his promotion to Field Marshal. It provides him with increased authority and the opportunity to buy a new lot of uniforms.

Any doubt that Great Britain is highly armament-conscious has been dispelled by the announcement that the wedding present of the British Government to King Farouk and Queen Farida of Egypt was a pair of shot-guns.

Esther says if it isn't one thing it's another. Now she's got to postpone her marriage again until they build another Honeymoon Bridge at Niagara.

THIS BRIEF IS BRIEF

BY AN ORDINARY CITIZEN

ROYAL Commissions are fearsome bodies. They never put anyone in jail—but they can. Therefore I commence this brief with a fervent prayer that a certain Royal Commission will believe me when I say that I am theirs most respectfully, and am not trying to be funny.

It is the only genuine brief they will get—if "brief" means what I think it does.

I have read excerpts, extracts, digests and summaries of some of the very unbrief briefs which have been filed, and while they are very interesting, they strike me as either too much in the nature of special pleading, or too complicated. What I should like to do would be to prepare a brief for ordinary citizens, in language such as ordinary citizens use.

IN THE first place, I believe that so great a majority of Canadians agree about the general relation of the Dominion to the Provinces that there is no need to argue about it. French- and English-speaking alike, Easterners and Westerners, they expect the Dominion to be a nation, and therefore the Dominion government to be a national government. On the other hand, they approve of the division of the country into Provinces, and of the general plan of the B.N.A. Act. They feel that the Act should not be immutable, and they recognize that times have changed since it was written.

Nor do they see any reason why it cannot be changed quite peacefully. They will applaud those demagogues who make violent speeches *pro* or *con* any change, but, in the last analysis, they will endorse the action of any Government which introduces a few simple amendments bringing the Constitution up to date.

Enough of them will oppose any radical alteration to make it impossible to carry it.

SPEAKING now for myself and no one else, I should like to see the Royal Commission try to ascertain first what the people of their country think a government is for. Is it to run the country, as a board of directors runs a business, or is it merely to keep peace and order and see that no one does

SAINT VALENTINE'S MORROW

FORGOTTEN saint, keeping kind watch tonight

Over so many a heart that burns and gleams—

I have a lady more divinely bright

Than any lover clasps tonight in dreams:

Wherefore I have set a candle in thy shrine;

Ward of true loves, deal tenderly with mine.

Moonlike in all but in her constancy

Is she; so bright of head, so fair of skin

That luminously and transparently

She shines on darkness, being lit within:

Moonlike she moves, appalled faintly bright

In the cool circle of her silver light.

And whether now my lady sleeps or wakes

I know not, but I bear a sleepless brain;

This frost-blanch'd night before the crocus breaks

Can charm, but cannot make me whole again.

Whose summer spirit haunts her guilder bush

To call her up at morning with the thrush.

I will go out by devious ways and creep

Into her garden, so to taste alone

Her little world that breathes of her in sleep;

I will walk softly whence her birds are flown—

Her boughs drawn black against a moon as broad

As ever shines for any eve of God.

And high above me, higher than the may,

I shall see her one lit window bargeon clear . . .

O if thou hear the prayers of them that pray,

Give her sweet rest, sweet dreams, my silver dear!

Drop stardust on her eyes, good Valentine—

She who is not and never shall be mine.

Child-footed, cheeked with perishable rose,

Frailest of delicate and dreamed-of things,

She leaves no footstep where she comes and goes.

But seeking her my sudden heart has wings:

I am comforted for joys I must forego—

All that I have not known and shall not know.

Hear from me what she will not understand—

Heed what she has not heard—that I am grown

A harp to utter music to her hand,

A flute to answer to her breath alone—

Since song and breath of song and more is she—

Sun, moon and stars, all earth, half heaven, to me!

AUDREY ALEXANDER BROWN.

another in the eye? I am for the second choice. I know many who are for the first. I cannot for the life of me see how the Royal Commission can possibly report on the division of the functions of government, and of their cost, until it is settled what the functions are.

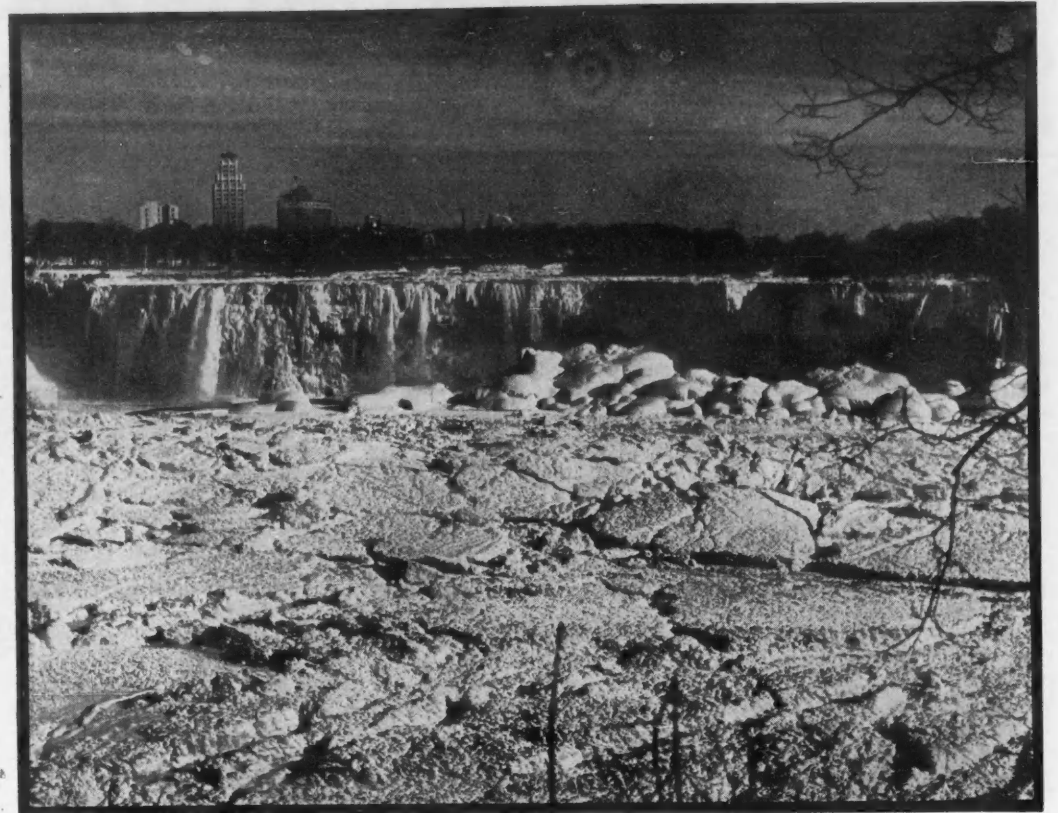
To take a case. Either it is the business of the government to run railways at a loss, or it is not. If it is, then I am for buying out the C.P.R. and running the whole railway system free of charge to shippers and travelers. If it is not, then I am for an immediate conference of the government with Sir Edward Beatty to try to make a fair bargain concerning his unification plan. The railways are one of the greatest sources of governmental expense. How are we to deal intelligently with public finance until this question of public policy is settled?

OR TAKE unemployment. Is it a function of government to provide money to support people who are unemployed? Or to hire them? Let us settle that before we bother about which unit of government is to find the money.

My own idea would be that the public authorities should hire all able-bodied unemployed and put them to work at simple necessary tasks—such as cleaning our dirty streets, tidying up empty lots and arrest-

(Continued on Page Three)

WHAT IT DID, AND WHAT DID IT. For hundreds of enthusiastic camera fans in recent weeks the best targets have been the wrecked Falls View Bridge and the ice-jammed Niagara Gorge. Better than most, D. E. Sanderson, of Niagara Falls, Ont., has succeeded in interpreting the mighty forces which swept the bridge from its moorings. His pictures below show, *left*, a close-up of the twisted girders and stripped abutment and *right*, the destructive mass of ice, seen against the silhouette of the American riverbank.



ALCATRAZ, THE FEARED

BY HUGH PLAXTON, M.P.

ALCATRAZ is possibly the only island in the United States of America which is a prison. It is situated about one mile from shore in the Bay of San Francisco, directly opposite the city, and it presents a picture which belies its grim reputation amongst the violators of federal laws in the United States. In one direction, looking towards the ocean, you can see the Golden Gate Bridge which is now under construction and will, when completed, contain the world's largest suspension span. In the opposite direction lies the five-mile Oakland and San Francisco Bridge, broken in the middle by the only other island in the Bay. This, roughly, is the setting for that much discussed but mystery-enshrouded island—the Prison of Alcatraz.

To get to Alcatraz is not a simple job—at least, so the British Consulate informed me; but with the intervention of the Federal District Attorney and the co-operation of Warden Johnston, I found myself in an army transport steaming across the Bay to my destination. I understand that army boats afford the only available means of getting across to Alcatraz.

As you approach the island, which I would estimate is some twenty acres in area, you are confronted with large signs posted on all conspicuous points of the island, warning any boat, other than one on official business, that if it approaches closer than 300 yards it does so "at its peril"; and gossip has it that failure to observe this warning immediately attracts the attention of hair-trigger machine gunners, who shoot first and inquire later.

ALCATRAZ is described accurately by the underworld of the United States as "the Rock." Its precipitous, rocky shores rise to a crest of some two hundred feet or more, on which is perched the prison proper. Scattered around the main building, on varying lower levels and in a rather haphazard manner, are the permanent homes of the guards and staff of the prison, the laundry and leather factory and other buildings.

Upon landing at the dock, you register with an officer your name, address and the purpose of your visit. You are then ushered into a truck of the "black maria" type, and, by a steep winding road, are brought to the main door of the prison block, in front of which are the office of the warden and other administrative quarters.

Upon entering the main door, always in company with a guard, you pass between two inconspicuous box-like stands. At this point, I was asked if I had any metal on my person and, having replied in the negative, I was informed by the guard that I would, on close search, no doubt discover some metal in the form of keys and possibly a knife. This was confirmed by the "electric eye," as it is called, an electric light and a dial connected to (what I believe to be) two electrified magnets concealed in the box-like contraptions above referred to. They had unmistakably registered the presence of metal in the form anticipated by the guard.

THE main prison block is divided by a double row of triple-tiered cells in the centre and flanked on either side by corridors. It is not large, having only, perhaps, a capacity for several hundred prisoners. The cells, each of which can house only one prisoner, are simply furnished and immaculately clean, and the shining steel bars, which constitute the complete front of each cell, are not only in keeping with the efficient atmosphere of the place but, I was informed, are of such hard steel that nothing in the nature of a hacksaw could even make an impression. The bars to each cell are opened and closed by hand levers located at the end of each row, and can be opened or closed individually or in a group or simultaneously. This is where some two hundred odd of America's hand-picked criminals reside. Al Capone, the members of the notorious Tuohy gang of Chicago, kidnapers, counterfeiters, murderers, bank robbers and others of like ilk spend approximately twelve of every twenty-four hours in those cells, and during that period of time silence reigns supreme. The guard said you could hear even a pin drop between the hours of 5 p.m. to 5 a.m., for during that time no one may speak. When the prisoners are in their cells, guards armed with tear and vomiting gas guns and machine guns keep a watchful eye from elevated runways, which extend laterally across one end of the cell blocks.

FROM the main prison block you pass into the cafeteria restaurant where the inmates are served their meals—breakfast at 7.30 a.m.; dinner at 11.30 a.m.; supper at 4.30 p.m. Tear gas ducts in the ceiling and guards armed with machine guns who patrol runways on the outside of both sides of the restaurant are in keeping with Alcatraz efficiency. Again, whilst the prisoners are eating, virtual silence prevails, for conversation is permitted only to the extent that it becomes necessary to request the passing of food.

The warden of Alcatraz believes that prisoners should get the best of food. In this respect, I was informed that the "Rock" is outstanding amongst the Federal prisons of the United States for its "table." Apparently, however, this one virtue fails to detract from its much-feared reputation amongst the prisoners of other federal "Pens" and the denizens of America's underworld jungle.

TWO or three industries, if you might describe them as such, occupy the time of the prisoners between the hours of 7.00 a.m. and 4.30 p.m. One is the laundry where the washing is done for the adjacent army post; another is the leather factory where mats are manufactured from discarded automobile tires for the United States Navy; the third is a furniture reconditioning factory. Whilst working, the prisoners are again compelled to observe silence, being permitted to speak only in so far as it may be necessary to carry out their particular duty. In fact, so far as I could observe, the only time any prisoners may converse with their fellow inmates is during the short rest period allowed each day.

In keeping with the strict and rigid discipline of this institution, which is based on silence, no newspapers are permitted to get into the hands of the prisoners; in fact, the only reading material obtainable must be requisitioned from the prison library which is comprised chiefly of hand-picked books. If periodicals are handed out, they are first subjected to a strict censorship, and I understand that all current news and references to crime are clipped out. Then, too, once a month only are the prisoners permitted a visit, but the visitor must be a direct relative and the conversation, which is carried on through an aperture in the front wall of the main prison block, is carried on in the presence of armed guards on either side of the wall. Conversation, if it is to continue for the prescribed half-hour, must be confined strictly to family affairs of an extremely personal nature.

IT IS perhaps an instinctive thought when inside a prison to size up the possibilities of escape. However, Alcatraz must give rise to a feeling of sheer hopelessness in the hearts of the most hardened of its inmates when that subject is being considered. In the first place, to get out of the prison proper is well nigh impossible; secondly, there is no single point on the island which is not covered by machine gun or rifle fire; and finally, should the would-be "escapee" gain the water's edge, he would be confronted by the cold, swirling tidal waters of the Pacific Ocean.

Alcatraz was, until a few years ago, a military prison. This, perhaps, accounts for the rather higgledy-piggledy lay-out of the buildings. At that time, it was decided that the task of administering the federal penal institutions numbering half a dozen or more could be facilitated greatly if Alcatraz was taken over from the Army and constituted a "prison of prisons" for the cream of America's criminals. This was done, and from the federal penitentiaries the dangerous and incorrigible prisoners were hand-picked and transferred to Alcatraz. The policy thereby created established a forward step in crime prevention and administration. In the first place, those who find themselves incarcerated in federal "pens" know well that the gates of Alcatraz are yawning open for them should they make trouble. That this had the desired salutary effect is obvious. Secondly, those aristocrats of crime who entered Alcatraz at the time it was constituted a federal prison are enwrapped in silence. No longer can publicity reach them nor can they reach publicity. In short, Alcatraz which initially was an experiment in penitentiary reform is now an established success, and those in charge are performing an invaluable service in the interests of law and order and good government in the United States.

AS EXPLAINED by Warden Johnston, the administration of criminal justice, back in the early days of this century, was confined, except for a few crimes, to the individual States. However, with the development of the motor car, law breakers discovered quickly the easiest way to escape the arms of the law lay mainly by crossing the State line after commission of the crime. Thus, for all practical purposes, the trail was ended. The result is easily seen. Crime became rampant, but it was not, however, until the advent of prohibition that it took the form of highly organized gangs. It was those fateful days in the history of America's administration of criminal justice that saw the development of gangsterism, to an unparalleled degree in the history of

that country and possibly in any other country in the world. The demand for centralized control of the administration of criminal justice became increasingly pressing. This required, and still requires, apparent constitutional authority. Thus, we find federal statutes piling on statutes increasing the list of federal crimes: postal and bank robberies, counterfeiting, white slaving, stealing and removing of an automobile from one state to another, kidnapping, income tax evasions and a series of other crimes, all of which have enabled the federal Department of Justice to take charge of a case and pursue it regardless of state boundaries to a definite conclusion. Some five thousand violators of federal statutes annually fall prey to the "G" men.

NO NEWS IS BAD NEWS

BY BRIAN MEREDITH

London, England.

YOU Canadians don't seem to think you've got anything interesting or exciting in your own country," an editor of an English magazine remarked to me the other day. Then he added: "And if you don't think so, who in Hell will?"

Another time a Canadian publicity man here mourned: "I want something glamorous that suggests Canada to the British Public. But what is there? . . . Somehow we've lost any picturesqueness or character that we had in the old days, and all the countries in Europe are swamping us with their rival propaganda." In the end he put a Mounted Policeman on a poster. It was not a new idea; but it was a proven one, and about the only one.

This seems to point my complaint that we are progressively cooking our own golden-egg-laying Canada goose in matters of national publicity.

A CANADIAN businessman in London, with the logical businessman's mind, challenged my case when I outlined it. "Where's this atmosphere, this color, this glamor you say we have at home?" he demanded. "I can't remember any."

A friend wrote from Montreal: "Your story on keeping all the old publicity tripe about Canada so our fellow Empire builders won't have their beautiful illusions trampled in the mud reminded me of a yarn I tried to sell in England once—'Debunking Canada'—in which said beautiful illusions were exposed to the light of actuality." (It was an embarrassing reference because I remember urging him on with it.) "My complaint is that present methods try and glorify aspects of our life that simply don't exist, or haven't since the nineteenth century, so that visitors impressed by publicity are disappointed and think themselves gyped. What we really need is to bring back the individual character that various parts of the country once possessed."

The businessman confirmed my editor-friend's criticism. The Montrealer hit more at the root of the problem in suggesting that publicity should begin at home. New England communities have worked wonders in preserving and reincarnating some of their Colonial architectural characteristics. A little, very little, has been done in the province of Quebec.

But neither person could see the woods for the trees. The outsider finds surprising and charming all sorts of things we take for granted. Outside staircases and bi-lingual advertising in Montreal . . . the unbroken horizons of the Great Lakes . . . the Indians they discover for themselves employed on the railway . . . all such oddities get a reaction. Go with a stranger sometime and watch the things he observes most in your home town. Usually you'd never think of mentioning them.

BUT whatever quirks we may have in our national advertising efforts in England, and however little we spend in comparison with other countries, the more fundamentally dangerous thing is that there is in England little or no news in circulation about Canada.

And in trade, tourist traffic and imperial politics, no news is bad news.

The London head of one of the few companies feeding Canadian news to the British Isles told me: "Canada is the most poorly represented country in the British Press, certainly in the Empire, and perhaps in the world." Three years ago a careful private survey was made comparing the representation of the British dominions in English newspapers,

and Canada was fourth and fifth on the list. The situation can be little improved today.

There are occasional squibs in the two or three more important papers; in others, days will pass without an item from Canada. News-photographs, (as pictorial journalism in Canada is poorly developed) almost never appear.

During the crisis of the Abdication, Reuter's, the long-established news-gathering agency and a principal source of Canadian cable news, carried no more than an average of two hundred words a day. At that the Canadian Government was subsidizing them to relay Canadian news; and when the subsidy was not renewed last New Year's, they shut up shop in Ottawa completely. Now the company cables occasional stories from New York—selected from Canadian news sent south for American consumption.

JUST what this means should be considered. It is more important than conventional advertising or propaganda or publicity; it exercises far more influence on the public mind. The distinction between propaganda and news is obvious. The first is based on news, but only good news, and is distrusted as such; the latter is all news, good and bad, and is devoured avidly and indiscriminately.

It is clear that if England and the world does not hear about Canada and read about Canada in the ordinary course of events, Canada will lose prestige, that people will not be much interested in trading with Canada or investing in Canada or travelling in Canada. It is out of sight, out of mind: out of the press, into international oblivion.

This does not mean that the world will nod its head wisely over newsy reports of Canadian bridges, branch railways or corner stones. The only news of the conventional sort that will be used in the outside press is big stuff: world flights, major disasters, riots, drought, forest fires—the sort of things that would get printed if they happened in the Argentine or anywhere else in the world.

But that's not enough. The world is just as interested in the small, human, crazy things; and news-papers will print them. A year or so ago in East-view near Ottawa a policeman gave a ticket to the driver of a dog sled team for not stopping at a stop street. It was worth a few lines anywhere in the world, but no one thought of sending it out.

WHAT is needed here abroad is more run-of-the-mill news stories and news-photos about Canada in circulation, all carefully picked with an eye to what is *News* to the outside world, and not too much from the viewpoint of what we think *ought to be* news. Good news and bad news, it's all Canadian publicity; and all publicity is in the end good publicity.

It is not entirely lack of enterprise on the part of Canada: the British press shares the blame: it is simply not interested. The British press is an ostrich that prefers to bury its head in the sands among the bathing beauties of Brighton Beach. It is largely a press to restore the faith of any Canadian journalist in his own newspapers and news-services. England has the best newspapers in the world, with small circulations, and also the worst, with the largest.

A country can't expect to carry much weight with the outside world unless it encourages the free circulation of every variety of news about itself. Nor can an Empire count for much if its parts and its heart are not mutually better informed and more mutually interested.

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that the Corporation has turned down offers of commercial business amounting to some \$250,000 in a determination "to accept no program which does not possess what we believe to be entertainment value suitable for Canadian listeners." But it is possible that the financial needs of the Corporation were less great when these refusals occurred than they are today and that in the process of pursuing the needed \$100,000 of additional commercial revenue to which the Chairman refers, the question of entertainment value for Canadians may come to be less carefully considered.

The task of discrimination must obviously be an extremely difficult one. We do not think anybody can ever have maintained that any harm was done to the Canadianism of Canadians by the dissemination, from any station whether government or private, of the Ford Hour or the Metropolitan Opera Auditions; yet these are, of a sort, advertising programs and must be classified as commercials. The difficulty arises out of the injection of Government authority and Government credit into what had previously been, on this continent, a field entirely occupied by private enterprise. The purpose of that Government intervention was the purpose which is implied in all of Mr. Brockington's references to "transition and development periods" and to the acceptance of commercial revenue "only until we are self-supporting from other sources." It was, in other words, to provide Canada with a national radio service similar in character to that of the BBC and similarly independent of all commercial motives and influence. Until that objective is attained the CBC will not be wholly living up to expectations; but it is particularly falling short of those expectations when it engages, through its affiliation with an American commercial broadcasting enterprise, in a very energetic campaign for American advertisements to be disseminated over its national network or from its specially high powered stations.

THE SCOUT DINNER

WE KNOW of no other organization for the promotion of any branch of community welfare which can put on, year after year, so notable a program of speeches as is regularly presented at the dinner of the Canadian General Council and the Toronto District of the Boy Scouts Association. This event occurred once more on Saturday, in the presence of the Governor-General and Chief Scout for Canada, Lord Tweedsmuir, and with a list of speakers which was headed by His Excellency and included the Hon. Dr. Bruce, former Lieutenant-Governor of Ontario, Sir Edward Beatty and half-a-dozen of the most influential business men of the Dominion.

The remarkable thing about the Boy Scout movement is the continuity and intensity of the interest which it arouses among the best classes of our business leaders. No movement is in any danger of a setback, when it can command so much of the time, energy and enthusiasm of men like Mr. J. F. M. Stewart with his long record of organization work for good causes, or Mr. W. J. Cairns, whom Toronto is regretfully turning over to Montreal, or any others of the notable men who spoke for scoutcraft on this occasion. There is a good deal of the boy left in the average successful man of business, and in the Scout movement he can give play to that element of his nature in association with real boys and in a work which aims at getting the best there is out of boyhood and making it a true preparation for manhood. This is the spirit of the annual Scout dinner, and we know of no other event quite like it.

THIS BRIEF IS BRIEF

(Continued from Page One)

ing homicidal motorists. There is enough there to keep them all busy forever.

Every one of our national problems can be settled in this way,—first deciding what the people want to do about each.

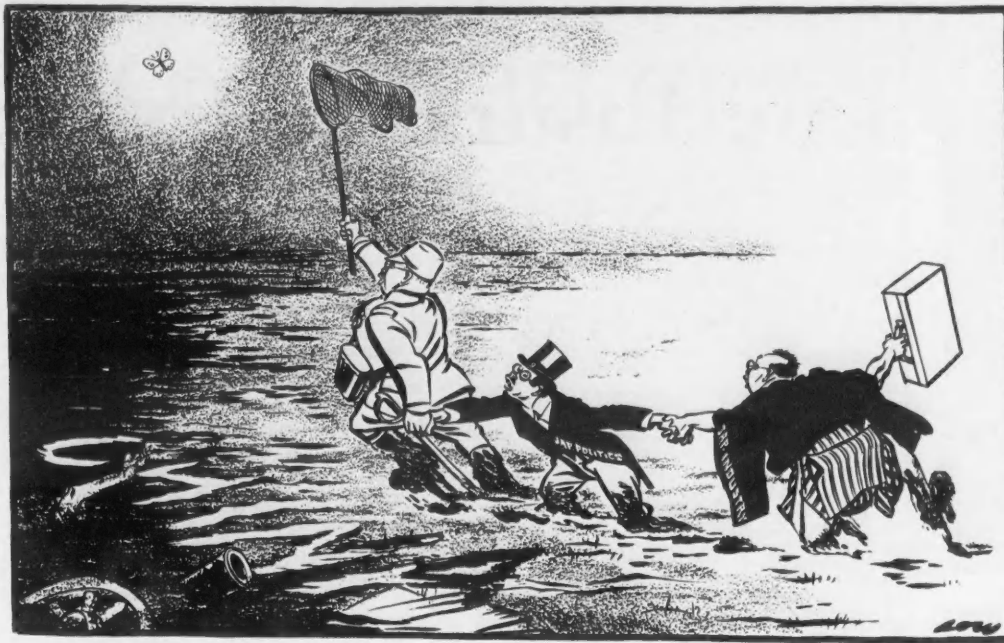
HAVING settled these details of policy, the question of finance is next. I suggest an absolute division of the whole field of taxation between federal, provincial and municipal taxes, and an absolute prohibition of any two authorities tapping the same source of taxes. I think I have the vast majority of votes with me.

Of course, in dividing the field of taxation we must also divide the field of effort. I know that there is plenty of room for strife here, but not as much as the politicians will pretend. Provided the government at Ottawa is fair in allotting to the other public bodies taxation fields as well as fields of effort, public opinion will support it in passing the necessary legislation. It will not matter very much if highway maintenance goes to the Dominion or to the Provinces—provided highway revenue goes with it. It does matter that we should not continue, as we now do, to give all the highway revenue to the Provinces, while keeping up city streets at municipal expense—although much the greater part of all motor vehicle travel is on them.

ABOVE all, let us face the fact that, whatever the theories concerning Dominion-Provincial relations, there is only one body which can settle the matter—the Dominion Parliament. No Parliament of the United Kingdom is going to meddle in the matter at all—beyond automatically passing any amendments to the B.N.A. Act which Ottawa requests.

Common sense also warns us to be sure that no amendments are seriously repugnant to any large part of Canada. The way to settle that, however, is not to ask Mr. Hepburn or Mr. Duplessis, but to ask the duly elected representatives of each Province in Parliament.

The present Government has an excellent representation for all parts of Canada. I am not a Liberal in the political sense, but I know that Mr. King has the confidence of the country. I want to see him take the proper risks and responsibilities of his office, and introduce the legislation necessary to define the functions of government, to divide them between the units of government, and to provide for a fair division of the taxing power.



FURTHER AND DEEPER.

—Ottawa Letter

LID-LIFTING DAY HERE

BY RIDEAU BANKS

IT IS TOO bad that the great figures of the past could not have been more explicit. For instance, there was the Hon. J. Israel Tarte, Minister of Public Works in the government of Sir Wilfrid Laurier. He made the wholly cryptic remark that "elections are not won by prayers." Why could he not have indulged in a little straight-from-the-shoulder speaking and explained exactly how elections are won?

For this is the question which is agitating the present session of the Federal Parliament in the year of grace 1938. The Federal Conservative Leader, Right Hon. R. B. Bennett, has suggested rather plainly that the rottenness which hitherto existed in the state of Denmark has been transferred willy-nilly to the Liberal Campaign Fund. The consequence is—to proceed with the fine disregard for admixture of metaphors which the importance of the topic justifies—that the Parliamentary fat is in the fire. And a fine smoking is ensuing suggestive of the eruption, before prorogation is reached, of a political Mount Vesuvius which will cover the old-line parties of the Dominion with anything but a shower of democratic glory.

THE trouble is that the Liberal pot does not relish the Conservative kettle calling attention to its swartheness. Mr. Bennett has made certain charges which, from the standpoint of being definite and explicit, could hardly be elaborated. He has said that the National Liberal Association—better known in political circles as the Federal Liberal machine—has been conducting a toll-gate in connection with government contracts. So much for the general allegation. In addition, the Conservative chieftain has declared that this nefarious practice has prevailed with respect to contracts negotiated on behalf of the Canadian National Railways.

One who was uninitiated in the wiles of political warfare might imagine that the only recourse open to the Liberal authorities in response to charges as categorical as these would be an invitation to the Conservative forces to delve to their heart's content into the record of government business since the present administration took office. The political mind, however, does not operate in these straightforward channels. Instead of giving Mr. Bennett carte blanche to delve into administration records over the past two years, the Liberals have countered with a whispering campaign around the corridors of Parliament.

"If," they have threatened, "the Tories insist upon probing Federal contracts awarded over the past two years, we will insist upon going back still further into administrative affairs and probing the contracts awarded during the Conservative régime from 1930 to 1935—especially in Quebec province."

And, relying upon the effectiveness of this dire threat to intimidate the sudden ambition for reform of the Conservative stalwarts, the Government has refrained from according any official recognition to the allegations which the Conservative chieftain made.

AS AN EXPLANATION of the inactivity which has followed the serious statements which Mr. Bennett made, the suggestion of a "saw-off" between the two parties might be credited, if it were not for two factors. These two factors are Mr. Bennett and Mr. King themselves. Neither party Leader is recognized on Parliament Hill as being tolerant of the slightest degree of electoral irregularity. Therefore, if Mr. Bennett has any knowledge of the existence of a Liberal toll-gate in connection with Federal contracts, he can be relied upon to publish his information. Similarly, if there is anything in connection with the Quebec Conservative contracts from 1930 to 1935 that should see the light of day, Mr. King can be depended upon to expose it.

The difference between the two Leaders is this: Mr. Bennett has made his charges openly on the floor of Parliament; so far, however, Mr. King has not had his name connected directly with the corridor threats of retaliation that are circulating from Liberal sources over Parliament Hill.

So much for the situation. What do impartial Federal circles think of it? SO FAR as Mr. Bennett is concerned, the Parliament Hill view is that the Conservative chieftain is a statesman of mature experience. He is recognized as having passed, many years ago, the stage of being given to ill-

considered speech. What he said he is regarded as having said with deliberation, and with due regard for the consequences of his statement. Consequently, on the assumption that there is something reprehensible in a Liberal toll-gate which exacts its rake-off from Federal contracts, the Tory Leader is generally conceded—in the quotation so aptly supplied by Hon. C. D. Howe from the government benches—to have said "either too much or too little."

In which case it will be asked why there has been no government announcement as yet of a thorough investigation into the allegations which Mr. Bennett has made? Does Mr. King believe that the Government can remain silent under the charges of the Conservative Leader and retain both its own dignity and the confidence of the public? The answer to this query is most certainly in the negative. Unquestionably the present Liberal ministry recognizes that full investigation of the Tory allegations is inevitable. And unquestionably Mr. Bennett realizes that he has said too much to be deterred from his course by threats from the present Government to go back into the record of the late Conservative régime. Any delay in setting up the Parliamentary Laundry and getting it busy upon any soiled linen which may await its attention, consequently, can only be attributed to jockeying on the part of the two old-line parties for some position of advantage at the political wash-board.

FROM the impartial viewpoint of Parliament Hill observers, the most significant feature in the present situation seems to be the disposition of the two old-line parties to jockey for position in an investigation which must be recognized as inevitable, not to say wholly desirable. As your Kentucky mountaineer would put it "time is wasting." And public confidence in democratic institutions is being weakened. Meanwhile, the Fascists of Quebec Province have arrived at the point of self-assurance necessary to present a brief to the Rowell Commission openly advocating the abolition of a central Parliament and the creation in each province of a Corporative state!

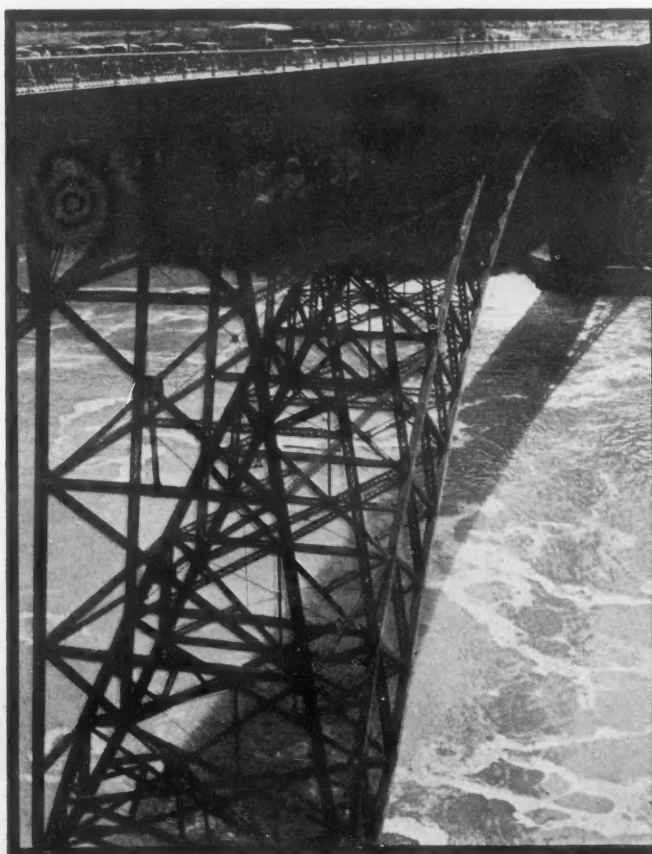
THE debate on the Speech from the Throne this year has been especially interesting. It has revealed Mr. Bennett in new fighting form, and it has given a suggestion that the grand old Conservative Party is back at its moorings once more, ready to serve that great body of Canadian political

thought which still believes in the soundness of enlightened Tory doctrines.

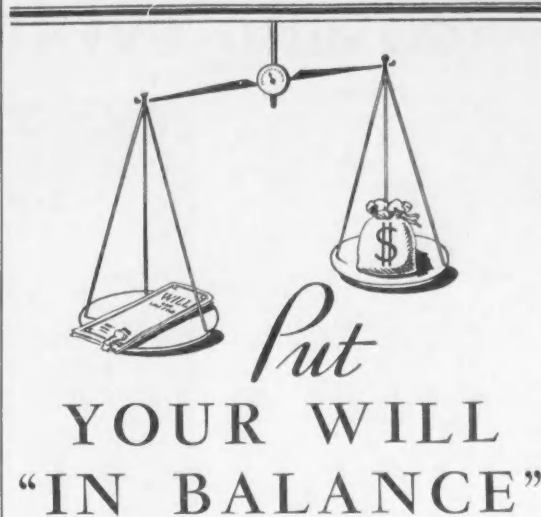
More than this, however, the debate on the address has served to indicate a certain hollowiness, on the part of Parliamentary forms which surely have become an anachronism. A view of the consummate debating duel between the Government and the Opposition forces during the past week which is commonly taken on Parliament Hill is that it is a survival of the days before the advent of the radio and the talking pictures, when the people of the Dominion beguiled the long winter evenings by reading with relish the political repartee which flew back and forth across the floor of the House of Commons. There is more than a suspicion nowadays in the Parliamentary galleries that the Canadian people do not read the sparkling repartee of the house Leaders, let alone the labored rejoinders of the back-benchers. There is a growing feeling that the realities of Parliament at the present time are such things as the definite charges of campaign fund irregularities which Mr. Bennett has made, rather than any adroitness of political sparring which may follow the levelling of such accusations.

CONCEIVABLY, by the time these lines appear in print, the Government will have announced the details of the investigation into the Bennett charges which their nature demands. Such a development will not dispose of the criticism that the intervening ten days or so of debate prior to the government's action has belonged to the horse and buggy days of the House of Commons. As a great national indoor sport Parliamentary debate unquestionably has lost the status that it once held. All the available portents which can be observed from the vantage point of the National Capital suggest that the Canadian people are not so much lost in admiration of the oratorical prowess of their Federal legislators, as they are looking to them to make an honest, workable thing of democratic government.

And the brief of the Quebec Fascists before the Rowell Commission is recognized by your thoughtful Federal statesmen as the handwriting on the wall. If Canadian democracy were doing its job beyond any question, it is realized that no sponsors would have been such gluttons for ridicule as to bring it forward. These are days of realities for representative government. And the realities lie in things like the Bennett charges—not in the interval of debating strategy by which their investigation has been delayed.



EVENT CASTING ITS SHADOW BEFORE. A photograph, taken last summer by "Jay", of the "honeymoon" bridge at Niagara Falls measuring with its shadow the place to which it recently fell.



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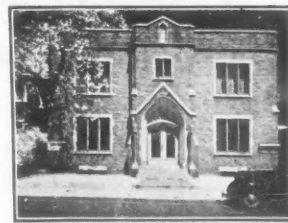
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O FISHERMAN whose slender bark floats perilously near the sky, Beneath a thin and baleful moon, What cries the wind as it goes by?

What sing the grasses pencilled dark In pointed spears and tawny heads, Upon what plaintive minor note The waters wash these reedy beds?

And what your dream, O little man, O faded, yellow, hapless soul, Forever caught in reeds and sleep Beside an idle fishing pole!

Grand Falls, Nfld.

LEXORE A. PRATT.

COMING EVENTS

CORNELIA OTIS SKINNER will be seen for four performances at the Royal Alexandra beginning Thursday, February 17, in "Edna His Wife," which is believed to be the first full length play in which any actress of the modern theatre has portrayed eight different characters. It is a dramatization by Miss Skinner herself of a best seller written by Margaret Ayer Barnes, with scenes in Chicago and its suburbs, Washington and New York. Its eleven settings, which cover a succession of dates from 1900 to the present time, are by Donald Oenslager, who did the settings for "I'd Rather Be Right" and "Mice and Men." The musical score is by Elliott Jacoby. The piece had an excellent run in New York and is said to give an ideal opportunity for Miss Skinner's amazing versatility of character representation.

THE program for the three choirs of the Canadian Singers' Guild under Walter Bates at Massey Hall on Thursday, February 17, will include the Choral of Wagner's "Die Meistersinger," an eight-part transcription of Franz's "Dedication," an arrangement of the Andante Cantabile from Tchaikovsky's String Quartette, Dr. Fricker's "O Little Rock," selections from "Maytime" and "Firefly," and the Easter hymn from "Cavalleria Rusticana," with a number of popular and folk melodies.

REGINALD STEWART, who is distinguished for his fine artistry as a pianist and as a conductor of opera, symphony orchestras and choral societies, will be guest artist with the Toronto Symphony Orchestra in a special concert to be given at Massey Hall on Tuesday evening, February 15. On this occasion Mr. Stewart will not only conduct the entire program, but will also play the solo piano part of the Mozart Concerto.

The success of the Promenade Symphony Orchestra during the past three summers has been in no small degree due to the untiring work and dynamic energy of its conductor, Reginald



MISS JEAN MITCHELL, president of Gamma Chapter of Beta Sigma Phi sorority, which is holding its annual Spring Fashion Revue and charity bazaar in the Round Room, Eaton's College Street, Saturday afternoon, February 26.



AMERICAN JURIST. Hon. Mr. Justice C. B. Sears, Buffalo, presiding justice of the Appellate Division of the New York State Supreme Court, who will address the dinner of the English-Speaking Union in the Royal York Hotel, February 16, when Lieutenant-Governor and Mrs. Albert Matthews will be the guests of honor.

Stewart. In addition to Mr. Stewart's numerous successes as a conductor and in recital in Toronto, he has won the acclaim of audiences and critics in his many appearances throughout Canada, England and the United States. He has just recently returned for a triumphant concert tour in Western Canada. Mr. Stewart has arranged the following program: Mozart's Concerto in D minor, for piano and orchestra; Mr. Stewart's own transcriptions for orchestra of Bach's Choral Prelude, "I Call on Thee, Lord," and Fugue in G Minor; Richard Strauss' "Don Juan," and César Franck's Symphony in D Minor.

RATED by many critics as the foremost exponent of the dances of the old Spain, Carola Goya will appear in the Auditorium Variety Series concert at the Eaton Auditorium, February 17. Beatrice Burford, harpist, and Emilio Osta, pianist, will be associated with her on the program, Miss Burford playing a number of harp solos. Goya will appear in new dances of her own creation to the music of modern Spanish composers as well as in the traditional dances that have been among the glories of Spain for generations.

LADY MABEL DUNN, whose lecture recital, "The Life of Beethoven," was one of the features of last year's season in Toronto, will return to the Eaton Auditorium, February 15, with a similar recital entitled "The Abbe Liszt." Incidentally the Beethoven recital is to be given at the Canterbury Festival in England and at the Salzburg Festival this summer. The dramatic continuity which will accompany the Liszt recital was written in the actual houses where Wagner and Liszt lived, and material for it was personally provided by Frau Houston Chamberlain, grand-daughter of Liszt and daughter of Cosima and Richard Wagner.

Life Insurance Exerts Steadying Influence

Speaking at the 68th Annual Meeting of the Mutual Life of Canada R. O. McCulloch, the president, made some comments of importance to all Canadians. He said in part:

"The results of the business of the past year must, I am sure, be highly gratifying to you and to all our policyholders. The balance sheet now before you shows the exceptionally strong position of your Company. The total assets at December 31st last were \$169,887,078.19 and the liabilities, exclusive of special reserves and surplus funds, \$155,329,472.52.

The surplus earnings for the year amount to \$4,516,213.24 and after deducting certain special charges and providing \$3,500,000.00 for dividends to be paid or allotted this year to the policyholders, our surplus funds amount to \$8,414,736.42.

The increase of business in force for the year is substantial and larger than it has been for some time. The rate of earnings on invested funds is satisfactory having regard to current interest rates and the cost of operating the Company's business is low, a tribute to the ability and efficiency of the management.

The General Manager, following his usual custom, has analyzed the year's business and I will not add anything further to his comments.

Last year's business conditions have been already reviewed by many others in much detail and any comments I have to make will accordingly be abbreviated.

Looking back over the year 1937, I think we may conclude that it was generally a prosperous one for Canada. Despite the drought in part of the Prairie Provinces and the drop in stock and commodity prices, there was on the whole a substantial improvement in business.

An examination of the returns of our chartered banks shows that increased business activity was reflected in a substantial gain in commercial loans and the upward trend in deposits is evidence of thrift and the improved earning power of our people.

Revenues of the Dominion of Canada have been running well ahead of estimates and considerably in excess of the preceding fiscal year. Indications are that expenditures will be within the expectation of the budget although the wheat crop failure in Saskatchewan caused large Government expenditure for agricultural relief and adversely affected the revenues of the Canadian National Railway.

While our total wheat acreage in 1937 was slightly more than in the previous year, the total yield was less than in 1936 and the lowest since 1914. Drought was again particularly severe over a wide area in Saskatchewan as it has been since 1931 and to a lesser degree in parts of Alberta.

The estimated value of field crop production in Canada for 1937 while approximately 10% below the value for

1936 was higher than in any previous year since 1930. In the Provinces of Manitoba and Alberta crops were considerably greater than in 1936 but averages in all other provinces except British Columbia were reduced and in Saskatchewan markedly so.

Prospects in the West

There is ample pre-season moisture in most of the wheat growing lands in the Prairie Provinces and with average rainfall this year the West should come into its own as a great grain growing country and again produce a good crop.

The mines of the Dominion have continued to play an increasingly important role in providing labor and business for other industries and in expanding our exports; the production value of this industry in 1937 was \$452,054,000.00 and will probably be greater this year.

The newsprint industry with improved consumption made considerable progress earlier in the year but the demand slackened towards the close of the year as a result of the downward swing of business in the United States and stocks were accumulated owing to the increase in the 1938 price so that operations and output of the manufacturers have been reduced.

Advances were general in iron and steel production. The value of tourist traffic increased materially and there was a reduction of 10% in unemployment. The important construction industry lagged somewhat as the volume of building, while greater than in 1936, was less than 60% of normal.

The considerations I have mentioned amply support the view that Canada's position during 1937 was generally a favorable one. We still have, however, the serious question of railway deficits. While there was some improvement in gross earnings there has been no progress towards the solution of the problem which is one of the most important factors in taxation with which industry is burdened.

There has been a levelling out of business in recent months. However, we may reasonably hope for a continuance of prosperity if the International tension can be eased and there is genuine co-operation between Government and business.

The pressure of a multitude of increasing taxes and the necessity for rehabilitation of the finances of some of the Provinces has led the Dominion Government to undertake an investigation by Royal Commission, the main purpose of which is to provide for a re-examination of the economic and financial basis of Confederation and of the distribution of the legislative powers in the light of the economic and social developments of the last seventy years and it is sincerely to be hoped that a worthwhile contribution to the country's welfare will come from this most important and arduous under-

taking. It is entitled to the active support and co-operation of all of our citizens.

Life Insurance Sales Higher

The upward tendency in general business has been reflected in life insurance and it is estimated that the new business effected by Canadian Life Insurance Companies will exceed by 7% the business of 1936 and will amount to over \$675,000,000.00. In the case of our own Company, the business in force shows a striking increase.

The issuing and handling of this volume of business presents no problem but the obtaining of suitable investments for reserves and surplus funds is increasingly difficult as the channels for investment apart from Government bonds are narrow.

We have succeeded, however, in keeping our funds actively employed at reasonably satisfactory rates of interest although the yields obtainable on long term issues of Government bonds approach closely to the rates upon which our reserves are based while the yields on short term issues have been generally so much lower as to make them unattractive to us.

We have become so accustomed to all the developments and improvements and the higher standard of living which the present generation enjoys as a result of the inventive genius of mankind in the last fifty years, that we are inclined to overlook the correspondingly steady advance which life insurance has made.

Fifty years ago life insurance largely provided fraternal benefits to meet the expense involved in the death of the breadwinner but as life has become more complex, life insurance has steadily developed the provision of more varied and useful forms of protection for dependents as well as investment for the policy holder himself and during the years in which I have been intimately connected with it has become recognized as the most reliable form of investment for family funds. These accumulated funds represent the savings of citizens of all classes and, placed in the hands of companies with high ideals of trusteeship, have become one of the economic forces of the nation. These funds have been and are being invested in Government, municipal and private enterprises which contribute to the general welfare of the people and life insurance thus materially contributes towards a continuation of the material and social advantages which accompany the provision of these benefits.

A study of the distribution of life insurance indicates that, as life insurance thrives, radical and dictatorial tendencies diminish. People who have built up estates for themselves both present and future are not easily swayed by verbose radicals into paths which might spell disaster to their programme of life.

Life insurance is a protection not only against domestic and personal changes



R. O. McCULLOCH, President, The Mutual Life of Canada, who presided over the 68th Annual Meeting of the Company at Waterloo.

but, if policy holders will recognize their power, against political catastrophes as well.

It seems to me that our legislators in planning the welfare of the people to whom they are responsible, should give due consideration to the large body of policy holders who by their thrift are making provision for their families and dependents instead of becoming a burden on Government revenues for relief, old age, etc.

A business which has had such signal success in its contribution towards public needs during the most trying period in the memory of any of us, should be trusted to continue to provide the people with the protection and service which has proved so beneficial. If it is to continue to do so, the security of its investments must be unquestioned and must not be endangered by legislation or undue burdens.

While disturbed occasionally by minor upheavals which take place from time to time and indicate that adjustments in our political economy may still have to be made, it is a great satisfaction to find that life insurance continues to exert its great influence towards happier and more stable conditions.

Progress of Mutual Life

I consider it a great privilege to be intimately connected with a business that has proved itself so indispensable in the conduct of human affairs and this is intensified when I look back over the achievements of our own Mutual organization in steadily rising to new levels of usefulness and continuing to set a high standard of co-operative service to our policy holders.

I am sure we have every reason to be proud of being associated with such a worthwhile enterprise and with the service which it renders to our fellow citizens and our country.

It is a great pleasure to acknowledge the very efficient work of our office and field forces during the past year and I wish to express the thanks of your Directors for their continued loyalty, efficiency and co-operation."

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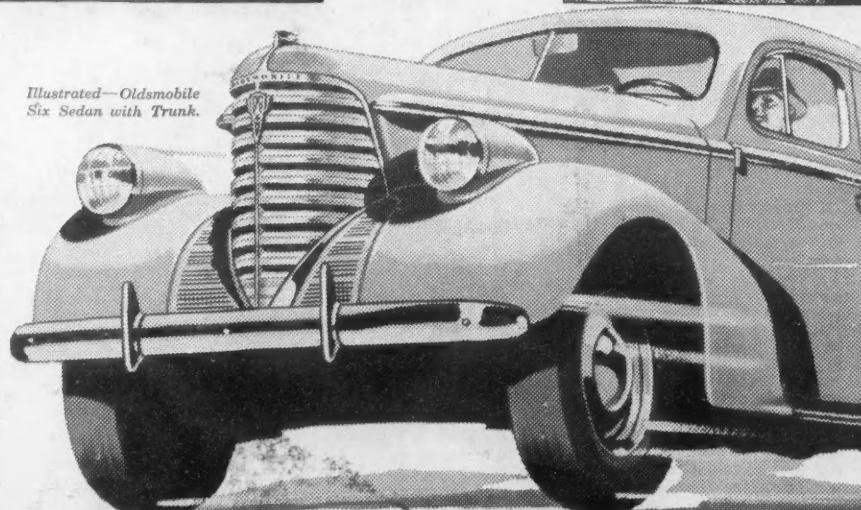
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—History of Canada, Jan. 31—Feb. 7

NO SECOND BELGIUM!

IT WILL cost Canada a pretty penny to run her national affairs during the fiscal year starting April 1, 1938, but the amount may be about \$2,900,471 less than during the present year. Hon. Charles Dunning, Minister of Finance, tabled the main estimates in the House of Commons and they forecast expenditure of \$418,968,456 exclusive of railway deficits and relief costs. Among the items estimated for are the cost of two destroyers to be purchased from the British Admiralty. There is also provision for the purchase of seventy-five military airplanes. The destroyers are to be stationed on the Pacific coast which Vancouver and Victoria orators have been picturing during the past few weeks as a prospective second Belgium. Included in the estimates was an item indicative of the appreciation of a grateful country for the faithful services of one of her diplomats, Hon. Philippe Roy, Minister to France; he will receive a lifetime annuity of \$5,000 on his approaching retirement.

DOMINION

By-Election: Prime Minister Mackenzie King announced date of by-election in federal constituency of Edmonton East as March 21.

Employment: Hon. Norman Rogers, Minister of Labor, announced dissolution of National Employment Commission.

External Affairs: Hon. C. D. Howe, Minister of Transport, introduced bill to amend the Shipping Act to prevent the transport of war materials from a foreign port to a Spanish destination in a Canadian ship. H. Hume Wrong, Canadian delegate to the League of Nations, opposed on behalf of Canada any reform of the League Covenant at the present time.

Police: Retirement of Col. G. L. Jennings, O.B.E., Deputy Commissioner of Royal Canadian Mounted Police, was announced. Command of the force during the illness of Sir James MacBrien was taken over by Deputy Commissioner S. T. Wood.

Senate: The Senate appointed committee chairman and adjourned until March 1.

Subversive Drilling: Hon. Ernest Lapointe announced that a federal investigation will be made of allegations that political organizations are conducting military drilling to determine whether infractions of the Criminal Code are being committed.

ALBERTA

Libel: Appellate Division of Alberta Supreme Court dismissed appeals of G. F. Powell, British adviser to the Alberta Social Credit Board, and Joseph H. Unwin, Social Credit member of the Legislature for Edson, against convictions and jail sentences for defamatory libel.

BRITISH COLUMBIA

Education: Students of University of British Columbia abandoned plans for strike against higher fees, overcrowded classrooms and restricted registration when the University Governors announced preliminary plans were drawn for a new \$400,000 building; the students diverted their efforts to a campaign to persuade the Legislature to vote the necessary funds for the building and to increase the annual grant to the University.

Employment: Premier Pattullo announced that his Government will initiate a development program which will absorb all employables in the Province during the next ten years. Following "trouble" in three relief camps for single men, Hon. George Pearson, Minister of Labor, announced that if the men are not inclined to be "reasonable" the camps will be closed down and relief for single men discontinued.

Marketing: B.C. Coast Vegetable Marketing Board issued order that only No. 1 grade potatoes may be sold on Vancouver market.

MANITOBA

Mental Hospitals: Hon. I. B. Griffiths, Minister of Health, announced that the provincial Civil Service Commissioner is conducting an investigation into charges of unrest and dissatisfaction among employees of Manitoba mental hospitals.

Municipal Affairs: The Manitoba Legislature in committee of the whole refused the city of Winnipeg power to levy and collect any taxes it

desires; meanwhile trustees of the city's sinking fund arranged temporary loan for relief purposes for first half of February.

NOVA SCOTIA

Rowell Commission: The Nova Scotia Government brief to the Rowell Commission recommended exclusive Dominion control over marketing, labor legislation, income and inheritance taxes; adjustment of freight rates and tariff according to the economic handicaps of the various sections of the Dominion was advocated. The Government signified its willingness to co-operate in revision of the B.N.A. Act and in securing the right for Canada to amend her own Constitution.

ONTARIO

Health: Premier Hepburn announced that his Government is considering setting up a special committee of competent authorities to investigate claims of persons who allege they have developed effective treatments for cancer. Hon. Harold J. Kirby, Minister of Health, announced that Dr. F. A. Kohl has been promoted to position of director of dental work for the provincial Department of Health.

QUEBEC

Bank Accounts: Attorney-General of Quebec lost four cases in Superior Court in which the Province sought to seize bank accounts which have long lain dormant.

Farm Credits: Premier Duplessis interrupted debate on Speech from Throne to deal with expansion of sum available for rural credits; the Legislature increased the fund available from \$15,000,000 to \$25,000,000.

Liquor Control: J. A. Savoie, general manager of Quebec Liquor Commission, issued order excluding women from taverns; the order reinforces the provincial statute to the same effect passed many years ago but rarely enforced.

Minimum Wages: Ordinance of the Fair Wage Board of Quebec setting maximum hours and minimum wages throughout the Province was officially declared non-operative; the

decision to postpone operation of the ordinance was taken by the provincial Government on recommendation of the Wage Board "in order to permit further study of the series of problems involved."

Fascism: Judge Maurice Tetreau in Enquete Court dismissed charge of inciting students to riot laid against Dr. Gabriel Lambert, self-styled Montreal Fascist leader.

SASKATCHEWAN

Child Welfare: Annual report of Bureau of Protection tabled in Legislature stated juvenile delinquency is increasing in the larger Saskatchewan towns and cities.

OBITUARY

Arbuckle, James Stewart, Montreal, engineer and educationist, former associate professor of electrical engineering, North Carolina State University, sales manager and consulting engineer Swiss Electric Corp. in Montreal (42). **Archibald, Dr. George Hamilton,** London, England, religious educationist, first principal of Westward Training College for Sunday School Workers, Montreal (79). **Baird, William Paisley,** Montreal, retired service manager Montreal Light, Heat and Power Consolidated (67). **Beaudin, Gerard,** Montreal, insurance broker, vice-president J. Beaudin Ltd. (27). **Blackaller, W. H.,** Victoria, B.C., Dominion president Canadian British-Israel Federation, former C.P.R. official (85). **Buchanan, John E.,** Winnipeg, former chief of Winnipeg fire department (75). **Cameron, Miss Janet,** Brockville, Ont., official of Brockville Public Utilities Commission, one of oldest active municipal employees in Canada (84). **Dubuc, T. D.,** Quebec, founder of dry-goods firm (69). **Duchaine, Thomas,** Quebec, retired shoe manufacturer, former alderman of Quebec (88). **Johnston, Robert G.,** Victoria, B.C., cannery owner (66). **Kotzenmeyer, Garnet John,** Toronto, assistant superintendent of agencies Confederation Life Association, former mathematics master in St. Thomas and Chatham Collegiate Institutes (53). **Layng, John Hamilton,** Neepawa,

"Think it will be very cold in the horse-cars today, Pater?"

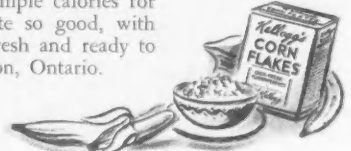
"Horse-cars! I'll go to the office in the limousine, as usual!"

"Oh—from the breakfast you ate, I thought you were fortifying yourself for an ordeal!"



OUT of the mouths of babes! You know, Genevieve's father really is inconsistent. In this age of warm motor-cars and air-conditioned offices he no longer wears red flannel underwear. But he still thinks that winter means stuffing himself with hot food at breakfast time.

Kellogg's Corn Flakes furnish ample calories for modern breakfasts. And they taste so good, with milk or cream and fruit! Oven-fresh and ready to serve. Made by Kellogg in London, Ontario.



Man., pioneer of Hallboro district, founder of Langford municipality (94). **Marshall, James,** Toronto, oil driller, trapper, prospector, sentenced to death as a spy during American Civil War but escaped (99). **McKnight, Miller,** Toronto, former business manager of SATURDAY NIGHT, former advertising manager of Maclean Publishing Co. **McLeod, Alexander,** (K.C.), Winnipeg, former president Manitoba Liberal Association, former member of the advisory council of the Manitoba Department of Education (78). **McVicar, Milton Duncan,** Petrolia, Ont., Liberal member of Ontario Legislature for Lambton East. **Miller, William Scott,** Mont-



TO PLEASE A FAVORITE GUEST

It will be "table d'hôte" when the family gathers 'round the mahogany for dinner tonight. And the first adventure into the land of good eating will be the soup—ready in the proverbial "minute or two" if it's Campbell's.

Tomorrow, the fancy of a favorite guest is to be pleased, at lunch perhaps, or supper, or at dinner itself. A whisper, a nod, a word—and the favorite soup appears just as quickly—"à la carte". And how good it is!

Which of the Campbell's famous 21 shall it be? Cream of Mushroom? Consommé? Chicken? Tomato? Or one of the more substantial soups, such as Vegetable, or Noodle with Chicken, Pea, or Vegetable-Beef?

Whichever it is, you will find it to be the "last word", the proud result of 38 years' uninterrupted experience in fine soup-making.

The particular soup for the particular occasion, or guest—it's waiting—and almost ready—on your pantry shelf.

Campbell's SOUPS
21 KINDS TO CHOOSE FROM



At the family dining-table

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WINS HONOR ABROAD. Arnold C. Smith, son of Mr. and Mrs. Victor A. Smith, of Dunvegan Road, Toronto, Canadian Rhodes scholar who was recently elected President of the Law Society of Oxford University.

—Photo by Violet Keane.

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Assisted by
BEATRICE BURFORD, Harpist
THURS. EVE., FEBRUARY 17th
at 8:45
SEATS NOW: \$2.50, \$2.00, \$1.50 and
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The Children's Theatre of New
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Presents
**"THE
NUREMBURG
STOVE"**
SAT. AFT., FEBRUARY 19th
at 3:00 p.m.
SEATS NOW: \$1.00, 75c, 50c
AUDITORIUM BOX OFFICE—AD. 5444

MUSICAL EVENTS

BY HECTOR CHARLESWORTH

I AM wondering whether the modern usage in exploiting operatic prima donnas on the concert platform so soon as they achieve fame is not all wrong. That is to say the system whereby singers of operatic power and quality, but little or no experience as recital artists are expected to give a whole program by themselves, which must inevitably produce a sense of monotony. I have in mind the recent recital of the Italian singer Gina Cigna at Massey Hall. Magnificent as is her voice, impassioned though her temperament may be, she, through no fault of her own, left many listeners with a sense of disappointment, mainly due to tedium. I am satisfied that the same result would have ensued if Jenny Lind or Adelina Patti had been subjected to the same test.

The old system with regard to a prima donna, who leaped into fame suddenly as did Gina Cigna at the Metropolitan Opera House last season) would have been to surround her with a small concert company, including a good tenor and baritone and perhaps a contralto, who could give variety to the program and appear with her in concerted numbers. Melba, for instance, would never have consented to undertake such a task as that undertaken by Gina Cigna in her present tour; and in Patti's last tour while her voice remained unfaded, in 1894, she brought with her the noble tenor Durward Lely, the great baritone Campanari, and one or two other artists.

The treasures of German lieder and English song, which give so much vitality and variety to a recital, are for the present a closed book to Gina Cigna. Moreover her style is purely operatic, and she shows a tendency to interpret all lyrics of a type dis-



CORNELIA OTIS SKINNER as "Edna" in 1900, one of the eight delightful characterizations in "Edna His Wife", a full length play to be presented at the Royal Alexandra Theatre, Toronto, for three days beginning Thursday, February 17.

tinct from aria in the same way. Four beautiful Russian songs were sung in French, but they all sounded more or less alike, despite splendid emotional vocalism, and the same might be said of her group of modern French songs, works in which one has heard singers, of powers far inferior, win more distinction by virtue of interpretative versatility.

That Gina Cigna possesses a voice of unique quality and power, admirably controlled and trained in the art of *bel canto*, is beyond the shadow of doubt. Her skill as a vocalist was

apparent in two Gluck numbers. In "O Del Mio Dolce Ardor" her legato was as admirable as was her declamatory style in "Divinités du Styx", but the numbers in which she really won the enthusiasm of her audience were operatic arias, in which the wealth of her temperament was released, like "Vissi d'Arte," her finest achievement.

THE Women's Musical Club of Toronto, in addition to introducing many noted foreign musicians, devotes one afternoon every season to a program by Canadian artists. This year the choice was very happy, with Frances James, soprano, Adolph Koldofsky, violinist, and Gwendolyn Williams, accompanist. At the outset one must pay a tribute to the last-named, whose distinction and taste gave added charm to every number.

Miss James is known through radio to Canadian listeners, but this medium does not permit her to reveal charm of her personality, and platform style, nor the finesse of her interpretative gifts. Her voice is soft and sweet and beautifully modulated, and she especially impressed critical listeners by her renderings of Schubert and Brahms. Evidently she had worked on each number until she was able to convey its precise atmosphere. Especially fine was her rendering of Schubert's "The Young Nun", leading to an exquisite and dignified climax, and she was captivating in such tender and gracious lyrics as "The Trout" and Brahms' "The Maiden Speaks".

Mr. Koldofsky is one of the finest of resident Canadian violinists. His tone is appealing and beautiful, and his style and phrasing are always marked by taste and distinction. He

ROYAL ALEXANDRA THURS., FRI., SAT. EVES. & SAT. MAT. **FEB. 17-18-19**
DIRECT FROM HER NEW YORK AND CHICAGO TRIUMPHS
CORNELIA OTIS SKINNER
IN A FULL-LENGTH SOLO-DRAMA
"EDNA HIS WIFE"
in which Miss Skinner Portrays 8 Different Characters
Her Own Dramatization of the Novel by Margaret Ayer Barnes
Settings by Donald Oenslager—Costumes by Helene Pons
SEATS NOW — NIGHTS: 50c-\$1.00-\$1.50-\$2.00
MATINEE SATURDAY: 50c-\$1.00-\$1.50

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GUEST ARTIST
REGINALD STEWART
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Seats Now! 50c-75c-\$1.00-\$1.50-\$2.00-\$2.50

gave a smooth and joyous performance of Handel's Sonata in F major which concludes with a hornpipe, and showed an equal grace of touch in two dances by Corelli.

THE joint recital of Anna Macdonald and Jean Macdonald, two distinguished musicians from Nova Scotia, to have been given at the Malloney Galleries recently had to be limited in scope owing to the illness of the latter, who was to have contributed the vocal part. Anna Macdonald, a highly trained pianist who was making her first appearance in Toronto, therefore took on the burden herself. She was trained in the Matthay School, London (which has sent forth many brilliant pianists in addition to Myra Hess), and has the broad flowing execution and finesse in nuancing characteristic of the school. Back of her admirable technical equipment, Miss Macdonald revealed a fine musical individuality which made her phrasing in most instances interesting and appealing. Her distinguished, unsentimentalized renderings of Chopin were a demonstration of her admirable qualities; and her playing of Bach transcriptions was also fluent and reverential. Some compositions by Tobias Matthay were of fresh and decisive interest.

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PETER I
The flesh and blood story of Peter the First: Warrior, Lover, Emperor—and of the captured servant girl who rose to share the Russian throne as Catherine I.
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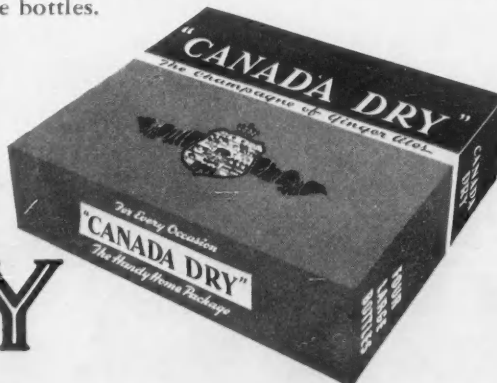
The only ginger ale in the world made by the famous patented Dr. Lloyd "Liquid Ginger" Process the one process that captures all the elusive flavour, the delicate aroma, the wholesome stimulating qualities of pure, natural ginger.

You will find Canada Dry one of the world's great flavour masterpieces. It's mellow and smooth...neither

too sweet nor too dry. Serve it with meals. Try it as a quick pick-up any time of day. And give the children all they want. "It's Gingervating"...good for them!

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CANADA DRY

"The Champagne of Ginger Ales"

THE THEATRE

BY B. K. SANDWELL

"Juno and the Paycock," the most important of the long list of plays presented last week by the Abbey Players too late for comment in our last issue, is not one of their greatest performances, and rather left one wondering whether it is as great a play as it was generally considered to be a few years ago. Described as tragedy, and ending on a note of the most pitiless irony, it nevertheless made its chief effects with its comedy; and one is not certain that that is wholly due to a greater skill in comedy on the part of the players, or to a greater interest in comedy on the part of the director. It may be that what appeared immensely tragic in Mr. Sean O'Casey's drama when it was first produced, much nearer to the date of the "trouble," appears slightly less so at a distance of seventeen years from the supposed time of the action—and perhaps also slightly less so to a North American audience than to a Dublin one. This is not to say that *Juno* and "Captain" Boyle and "Joker" Daly are not characters of the most incomparable life and color, merely that they did not assume the dignity of tragedy, and that Eileen Crowe—superb in every other passage—did not quite make the lamentation scene of Act Three come off. On consideration, this was not—certainly not—the fault of Mr. O'Casey; it was due either to a limitation of Miss Crowe's powers or to a stage direction which deliberately aimed at playing the tragedy down and the comedy up. If that intent be admitted, the whole performance was exceedingly sound.

That intent was perfectly proper in the case of "The Silver Jubilee," a comedy of the parochial problems of a priest in the South of Ireland by Cormac O'Daly, not hitherto given in Toronto, and worthy of more than the single performance it received. Four or five very racy character parts were of course perfectly done by players to whom that sort of thing is second nature, and the straightforward simplicity of Aileen O'Connor as the betrayed daughter of the "Republican" parishioner gave the necessary touches of straight drama. Almost any other producer would have been proud to bring "The Silver Jubilee" here for a week, but Mr. Higgins just drops it in as one of

six different bills. It was followed by "Riders to the Sea," which also failed to be as impressive as of old, and sounded at moments oddly like Maeterlinck. It depends of course almost entirely on its poetic diction, and our standard of poetic diction on the stage has risen notably since Lynde wrote. His "Playboy," also revived for this visit, is as vivid, as amusing, and as far from reason and surface reality as ever.

ON THURSDAY evening, when we should have been seeing "The New Gossamer," which was reported to us as being thin but sufficiently amusing character comedy, we strayed to the Eaton Auditorium to see once again Nimura, the Japanese dancer, and his partner Lisan Kay. The professional dancers and teachers who made up a large part of the audience obviously found the studied and hieratic movements of these performers very interesting. Our own enjoyment was limited by our inability to assign to them any definite dramatic or symbolic meaning or any emotional content. The one dance in which Miss Kay abandoned the Nimura style to show what she could do in conventional ballet manner, gave us much the greatest pleasure, though occasionally the ritual gestures of the hands and fore-arms of the couple, posing in unison, seemed to have some appealing significance. Like the poetic devices of Miss Gertrude Stein, the dance designs of Nimura strike us as admirable material for somebody else to do something with.



THE LATE MILLER MCKNIGHT, widely known and respected advertising man, and former Business Manager of "Saturday Night" until his retirement some six years ago. Mr. McKnight, who died on Friday of last week, was also at one time Advertising Manager of "Maclean's Magazine," and was a well-known Mason.

AN INVITATION



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THE ROYAL BANK OF CANADA

OVER 600 BRANCHES IN ALL PARTS OF CANADA



SOVIET ARTIST. Nikolai Simonov, talented film player, left as he appears out of character, and right as a Commissar in "Chapayev", the Soviet film success of a year ago. He will be seen again in Toronto when the new Soviet film "Peter the First" comes to the Eaton Auditorium on February 12 and 14.

THE FILM PARADE

BY MARY LOWREY ROSS

"PETER the First" is a great Russian picture, the finest in many years. For a long time now the Soviet film has been working over and over its collectivist theme until it has become a wearisome ritual without meaning except for the faithful. Possibly the Soviet film makers have grown a little tired of it themselves. At any rate in "Peter the First" the Russian movie turns back to the rich and savage past, with a wonderful recapturing of all its intensity and swift significant drama.

The trashiest historical picture today can usually muster an authentic, even scholarly background, thanks to its busy army of research experts. But while the majority of these are little more than big historical parades, with expensive sequences going by

like floats, "Peter the First" is integrated history. It is saturated in the past. Its sights, sounds, faces, gestures, even smells seem to come to us across two centuries, exactly as though the French Revolution, industrialism, and the spacious progress and humanitarianism of the late Eighteenth and Nineteenth centuries had never existed.

IT IS altogether a strange picture, darkly lit, as though by candles and rags floating in oil, with alien faces, brutal, cunning and brilliantly alive, flashing up suddenly out of the shadows. What is still more remarkable is its freedom from tricks and devices and the deliberately evocative use of sight and sound (of the eloquent, almost Disney-esque railroad engine coming into the Moscow station in "The Last Night.") Technical knowledge is always present in "Peter the First" if you can take time off from the narrative to analyze it; chiefly in the crowd-handling and in the way the camera states, with wonderful visual economy, the relationship between Peter and his aide Menshikov, between Menshikov and Catharine between Catharine and Peter, most movingly of all between Peter and the Czar. But it never intrudes on the narrative which moves with great strides from the moment of Peter's defeat at the hands of King Charles of Sweden, to his final triumph, the founding of St. Petersburg and the birth of his son; the camera following the narrative like the moving finger of history tracing the past.

Nikolai Simonov's Peter is an extraordinary creation—a man of action possessed by his impatient dreams, a ruthless yet practical nationalist, without a trace of modern nationalistic mysticism. If one is determined to read propaganda into everything that comes out of the Soviet, there is perhaps a hint intended that such a man is sometimes necessary for a nation's salvation.

"THE Buccaneer" is another of Cecil De Mille's adventures in American history. And Mr. De Mille, however exotic his splendours seem to be when transplanted to the Holy Land, is wonderfully authoritative on his own home ground. People who still associate Cecil De Mille with gold, bath-tubs, suffering Christian martyrs and the distraught Berenice of Miss Loretta Young, ought to go to see "The Buccaneer"; if they haven't already been convinced by "The Plainsman" that Mr. De Mille, given authentic material, is America's first-rank spectacle producer.

Here as in "The Plainsman" he has played down the feminine interest—Miss Francisca Gaal is antic and arch in the early Mary Pickford manner, and almost completely unimportant. She has one considerable sequence in which she is made to walk the plank. But for all that she matters after that to the story or to the oblivious Captain LaFitte, she might just as well have vanished completely, as she did very nearly, in the ocean. This means that Mr. De Mille, unimpeded by the claims of sentiment, can give us the thing he does best—spectacle and action, half a dozen interior climaxes, and one magnificent sequence showing the Highlanders going into battle at the siege of New Orleans—a sequence which with the sense it conveys of implacable and almost automatic movement, has almost the hair-raising quality of the famous White Army advance in "Chapayev".

While De Mille hasn't been quite as fortunate in Frederic March as he was in Gary Cooper, Mr. March is never actually out of key in "The Buccaneer" though his effectiveness tends to theatricality. The narrative is continuously dramatic and firmly handled, the music is by George Antheil, and there are some remarkable minor characterizations—chiefly Akim Tamiroff's Dominique You, privateer and ex-cannoneer of Napoleon's army. Altogether "The Buccaneer" is a picture that increases one's already great respect for Mr. De Mille. It takes not only genius but sense to employ that many people and spend that much money, and still create a picture and not six thousand extras milling round in a million dollar's worth of production.

TIME crawled on in "Rosalie". At the end of half an hour the hero (Nelson Eddy) had found his girl (Eleanor Powell). Fifteen minutes or so later he lost her. Half an hour after that he found her again. Then he found her. Then lost her. Found her, lost her. And in between, MGM. was spending money like a drunken sailor on production numbers that stretched the scene till it yawned. And yawned. I left at the end of two hours when Mr. Eddy had lost her again. For all I know he's still looking for her.

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Enters Body
Through Stomach
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THROAT PAIN
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THE TORONTO GENERAL TRUSTS CORPORATION

CORPORATION

56th Annual Statement

Profit and Loss Account

For the Year Ended 31st December, 1937

Balance brought forward from 31st December, 1936	\$ 206,277.50
Net Profits for year, after deducting Management Expenses, Directors' and Auditors' fees, advertising, rents and all other charges	281,065.01
	\$ 487,342.51

APPROPRIATED AS FOLLOWS:

Quarterly Dividends Nos. 163, 164, 165 and 166	\$ 120,000.00
Amount provided for Federal, Provincial and Business Taxes	50,000.00
Amount written off Office Premises	50,000.00
Balance carried forward	267,342.51
	\$ 487,342.51

Balance Sheet, 31st December, 1937

ASSETS

CAPITAL ACCOUNT:	
Office Premises and Safe Deposit Vaults at Toronto, Ottawa, Winnipeg, Saskatoon, Calgary and Vancouver	\$ 1,900,000.00
Rents due and accrued	3,425.45
Real Estate held for sale	1,321,592.22
Mortgages:	
Principal	\$ 128,726.62
Interest due and accrued	3,811.31
	132,537.93
Agreements for Sale:	
Principal	\$ 325,309.92
Interest due and accrued	6,013.23
	331,323.15
Agreements for Sale (Conditional):	
Loans or advances to Trust Estates	526,779.64
	201,399.32
Loans on Dominion of Canada and Provinces of Canada Bonds:	
Bonds	193,500.00
Loans on Bonds and Stocks	29,606.50
Bonds and Stocks	9,862.68
Transfer Fees receivable	44,124.87
Cash in Chartered Banks	\$ 154,869.71
Cash on hand	605.00
	155,474.71
	\$ 4,849,626.47

GUARANTEED TRUSTS ACCOUNT:

Mortgages:	
Principal	\$13,162,406.13
Interest due and accrued	474,562.45
	\$ 13,636,968.58
Dominion of Canada and Provinces of Canada Bonds:	
Canadian Municipal Debentures	1,485,886.94
Debentures, Bonds and Stocks	2,592,589.22
	325,549.57
Loans on securities of Dominion of Canada, Provinces and Municipalities of Canada:	
Loans on Bonds and Stocks	227,146.15
Cash in Chartered Banks	176,382.47
Cash on hand	\$ 1,282,664.00
	33,632.54
	1,316,296.54
	19,760,819.47

ESTATES, TRUSTS AND AGENCIES:

Investments and Cash in Chartered Banks	\$ 83,989,499.58
Original assets of Estates and Agencies at inventory values	128,901,931.54
	212,891,431.12
	\$237,501,877.06

LIABILITIES

CAPITAL ACCOUNT:	
Capital Stock	\$ 3,000,000.00
Reserve Fund	1,500,000.00
Dividend No. 166, due January 2nd, 1938	30,000.00
Reserve for Federal and Provincial Taxes	39,433.03
Unearned Rents	12,850.93
Profit and Loss	267,342.51
	\$ 4,849,626.47

GUARANTEED TRUSTS ACCOUNT:

Funds held under Guaranteed Investment Certificates	\$ 13,383,592.80
Funds on deposit	6,377,226.67
	19,760,819.47

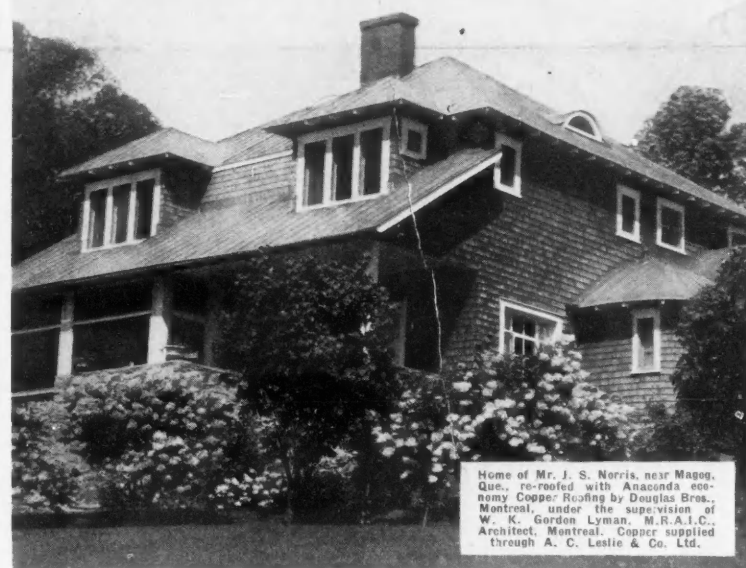
ESTATES, TRUSTS AND AGENCIES:

Trust Funds for investment or distribution	\$ 83,989,499.58
Inventory value of original assets of Estates and Agencies under administration by the Corporation	128,901,931.54
	212,891,431.12
	\$237,501,877.06

Thomas Bradshaw, President

W. G. Watson, General Manager

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ITALIAN LINE

THE BOOKSHELF

BY HAROLD F. SUTTON

"WAR may be hell for everybody else, but it is sometimes heaven for a correspondent," writes Herbert L. Matthews in "Two Wars and More to Come" (Carrick & Evans, New York, \$2.50). Mr. Matthews, a correspondent of The New York Times, frankly confesses that he found a little bit of heaven in Ethiopia and Spain. War may have its horrors, but it is also exciting and full of exhilaration. Mr. Matthews found it so and he has communicated that excitement and exhilaration to his brilliant and factual accounts of the Italian conquest of Ethiopia and the civil war in Spain (up to the time of going to press). The factual aspect of this book can be emphasized, because the author is a courageous as well as a capable correspondent and he risked his neck on many occasions in order to verify or confute official reports on war in progress.

His honesty as a reporter did not prevent him from taking sides. And it is an odd fact that while he approved of the Italian adventure in Ethiopia, he looks with complete misgiving on Italian participation in the Spanish revolution. He was convinced that the people of Ethiopia—particularly the subject races of the old régime—would fare better under European control. But a fascist Spain was a different matter, he felt that it would involve the overwhelming destruction of the popular spirit. He expresses his admiration of the Madrid defence in unequivocal terms: "Here is where one finds the indomitable will to win or fight this war out to the bitter end. I am not a Communist or a Fascist, a radical or a conservative, a Catholic or an anti-clerical. But I take off my hat to these people. They are fighting and suffering and struggling for something better than life has hitherto given them, and I hope they will win."

AMONG THE NEW BOOKS

U.S.A., By John Dos Passos. (Toronto, McLeod, \$3.) Hitherto for the first time between the same covers are the author's related books, "The 42nd Parallel," "Nineteen Nineteen" and "The Big Money." Readers will recall the experimental form in which these novels are cast, borrowing as they do from the news-reel and the camera, with overtones of jazz. Together they unite in an awesome and compelling projection of the noise and clamor of the modern American scene.

THE TYRANNY OF WORDS, by Stuart Chase. (Toronto, McLeod, \$2.50.) Chase's latest enthusiasm is semantics, which has been defined as the science of meanings. There have been ponderous treatises written on the subject, but Mr. Chase is the first one to write about it for the popular mind. The author's particular purpose is to prove that words have been getting loose from reality and consequently that many of them have become utterly without meaning. Particularly such words as democracy and communism and fascism and capital and labor and patriotism and national honor, all the words that you hear in after-dinner speeches and read in newspaper editorials. Substitute the word "blah" for any one of them and you will be no less enlightened, says Mr. Chase in this lively, readable but not strikingly definitive (blah) book.

IS A SHIP BURNING?, by Richard Sale. (Toronto, Dodd, Mead, \$2.) The author of "Not Too Narrow, Not Too Deep," which was the imaginative account of an escape from Devil's Island, has written an exciting tale of fire at sea that will inevitably recall the fate that befell the Morro Castle. In this novel, the ship is the San Marino, a West Indian cruise ship that sank in the Caribbean. The story, told by the radio operator, is direct and full of action and will not easily be laid down by devotees of this type of narrative.

MARGINAL NOTES

DR. William Lyon Phelps, professor emeritus of English at Yale University, has named whom he considers the ten greatest living American writers. They are—listed alphabetically—Stephen Vincent Benet, Pearl Buck, Willa Cather, Robert Frost, Sinclair Lewis, Edna St. Vincent Millay, Eugene O'Neill, George Santayana, Booth Tarkington and Dorothy Thompson. "Some, of course, will not agree with me," says Dr. Phelps, "but the list ought to start some fun." We understand the admirers of Ernest Hemingway—to name only one group—are already sharpening their axes in preparation for the sport.

"Tonia", a novel of a girl's life in Russia, now published, is said to be practically unique in that its author, Yuri Herman, has avoided any political emphasis. Rare, and usually unconvincing, are novels about music and musicians. Elliott Paul, who wrote "The Life and Death of a Spanish Town", is according to his publishers, "most at home in the world of music and its devotees, and music in the changing world of today is the core and substance of his new novel." The book is entitled "Concert Pitch" and will be published in March. . . . Edna St. Vincent Millay's "Conversation at Midnight" has had the largest sale of any of her poetry, says a note from her publishers.

PHIL STONG has undertaken to write a definitive history of the horse in America. He plans to make the book anecdotal and dramatic, but at the same time authentic and documented. He writes his publishers: "Merely thinking of the different kinds of horses in this hemisphere makes me dizzy. You have to deal with breeds, events, biographies, betting, some of the veterinary angles, history, etc. We ought to smash up the whole subject or stay at home." . . . Arthur Stringer's new book of Gaelic verse, "The Old Woman Remembers", has now appeared. It is a companion volume to "Out of Erin", published in 1930. . . . Henry Pringle, who has been working for a number of years on an authorized "Life and Letters of William

Howard Taft", has virtually finished the manuscript and his publishers announce that this two-volume biography by the Pulitzer Prize-winning biographer will come off the presses in the autumn. . . .

A NEW Russian novel about which there has been considerable advance talk is "The Larger View", by Benjamin Kaverin. Mr. Kaverin is a discovery of Maxim Gorky and is regarded as one of the most important writers of the new generation in Russia. The book, which presents a picture of creative life in the Soviet today, will be published this spring. . . . "R. F. D.", by Charles Allen Smart and originally announced under the title of "Invitation to the Country", is the account of a city-bred man's first three years' experience as a farmer. The author, who is an editor, novelist and free-lance writer, inherited acres in southern Ohio and decided to have a go at living on and off the land. The book is a March selection of the Book-of-the-Month Club. . . .

Thomas Mann will have a new novel next month. It is called "Joseph in Egypt" and is the story of Joseph and Potiphar's wife. . . . Franz Werfel in "Hearken Unto the Voice" has written his first novel since "The Forty Days of Musa Dagh", published four years ago. . . . "What Are We To Do?" is the title of a new book by John Strachey which will appear in March. The author of "The Coming Struggle For Power" is concerned this time with the history of the British and American labor movements. . . .

JOHN COWPER POWYS will have a new non-fiction book in the spring comparable to "The Art of Happiness", "A Philosophy of Solitude" and "The Meaning of Culture". It is called "The Pleasure of Reading" and is written in praise of reading in general with special emphasis on the author's own favorites: Rabelais, Wordsworth, Homer, Goethe and Matthew Arnold. . . . Andre Maurois turns to fantastic comedy in his forthcoming "The Thought-Reading Machine", a portrayal of American university life seen through the eyes of a French professor and his wife whose thought-reading machine precipitates catastrophe in the co-educational life of the campus. . . . The final chapters of H. G. Wells' new book, "World Brain", which will appear on April 8, have reached his American pub-

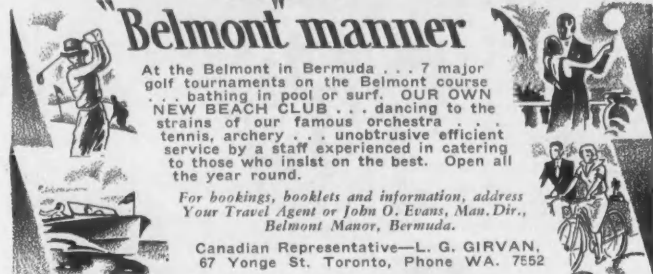
lisher, Doubleday, Doran. Mr. Wells' recent lecture tour, his publisher reports, furnished him with "startling" observations which he has incorporated into the book. . . .

TWO Literary Fellowships for 1938 are announced by Houghton Mifflin to be awarded to promising writers who are in need of financial assistance to complete projected books. They are similar to the Fellowships offered for the past three years, with one important exception: one Fellowship will be given for a fiction project and one for a non-fiction project. All of the first six awards were made for novels, and three of the novels have already been published: "Green Margins", by E. P. O'Donnell; "Spanish Prelude", by Jenny Ballou; "Point Noir", by Clélie Benton Huggins. Three others are still unpublished: Dorothy Baker's "Young Man With a Horn", which is to appear this spring; Robert Penn Warren's novel based on the Kentucky tobacco war is nearing completion and will probably be published in the fall; David Cornel Delong's long novel of life in Holland is still in its early stages. This year's Fellowships, like those of previous years, will carry an award of \$1,000 in addition to subsequent royalties. Those wishing to apply for Fellowships should write to Houghton Mifflin Company, 2 Park Street, Boston, Mass., U.S.A., for application blanks and further particulars.

THE title of John Gunther's forthcoming novel has been changed to "Ring Round Vienna". It will be published on March 2nd. . . . Flannery Lewis, whose "Brooks Too Broad for Leaping", his second book, will appear shortly, was born in October, 1913, in Colusa county, California. He has lived chiefly in the valley towns of Sacramento and Fresno, in Piedmont and Los Angeles, where he worked as a newspaper man on the Record and Evening News. His first book, "Suns Go Down", was written while he was in Los Angeles—three chapters in the first afternoon. "Brooks Too Broad for Leaping", one of the few books which take their titles from the verse of A. E. Housman, was written last summer while the author was in New York. . . . The Macmillan Company will publish this spring "Proverbs of All Nations", edited by Gurney Champion. It is made up of approximately 25,000 proverbs from thirty different linguistic sources.

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Be sure
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A safe,
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**MASSEY HALL THURS. EVE., FEB. 17th
CANADIAN SINGERS' GUILD**

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Clipped from the
Financial Post
Jan 15, 1938

**\$150 Millions
Outlay Needed
For Industries**

Estimate for Moderniza-
tion Based on Employ-
ment Board Survey

MACHINERY BACKLOG

Expenditure of between \$150
lions and \$200 millions is required
for modernization of Canadian
industrial plants, it is indicated by
extension of the figures shown by the
National Employment Commission's
recently issued survey of conditions
affecting employment.
The N.E.C. figure of \$78.6 millions
only reflects the backlog of only

By This Plan
Industry CAN Modernize
TODAY!

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Through the various amortized payment plans offered by Industrial Acceptance Corporation Limited, Canadian industrial concerns can buy and instal now the up-to-date efficient equipment they need to modernize their operations and cut their manufacturing costs.

Through these purchase plans, printers have installed new presses and, by placing themselves in a better competitive position, have been able to increase their business materially; laundries have put in a modern equipment which has so improved the quality of work that they

not only secured more customers, but better prices as well; a dairy bought a new pasteurizer which increased its capacity, cut its cost, and also gave its salesmen a good talking point with prospective new customers.

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SATURDAY NIGHT

PEOPLE • TRAVEL • FASHION • HOMES • LETTERS

TORONTO, CANADA, FEBRUARY 12, 1938

CANADIAN PERSONALITIES AT THE DRAWING ROOM

WITH BOUQUETS OF FLOWERS in white-gloved hands, wearing their most beautiful gowns, and with three white feathers nodding a-top their heads from which fall the filminess of white tulle veils (quite the most becoming headdress of modern times), Canadian ladies at their loveliest are presented to Their Excellencies the Governor-General and the Lady Tweedsmuir at their annual Drawing Room. The function takes place in the Red Chamber of the Senate since it has become the custom to hold it there rather than at Rideau Hall. The presentations take place amid scenes of great traditional splendor and before an audience of ranking officials in uniform representing church, state, diplomacy and the military. The form and practice followed at Buckingham Palace at similar functions is closely adhered to at Ottawa, and the possibility of presentation at London can hold no terrors for the presentee who makes her courtesy with grace and equanimity before Their Excellencies.

Top, left to right: Miss Jane Toller, debutante daughter of Mr. and Mrs. P. B. Toller, of Ottawa . . . Miss Katherine Inkster, debutante daughter of Colonel and Mrs. F. B. Inkster, of Ottawa . . . Miss Rosemary Clarke, debutante daughter of Colonel and Mrs. J. T. Clarke, of Ottawa.

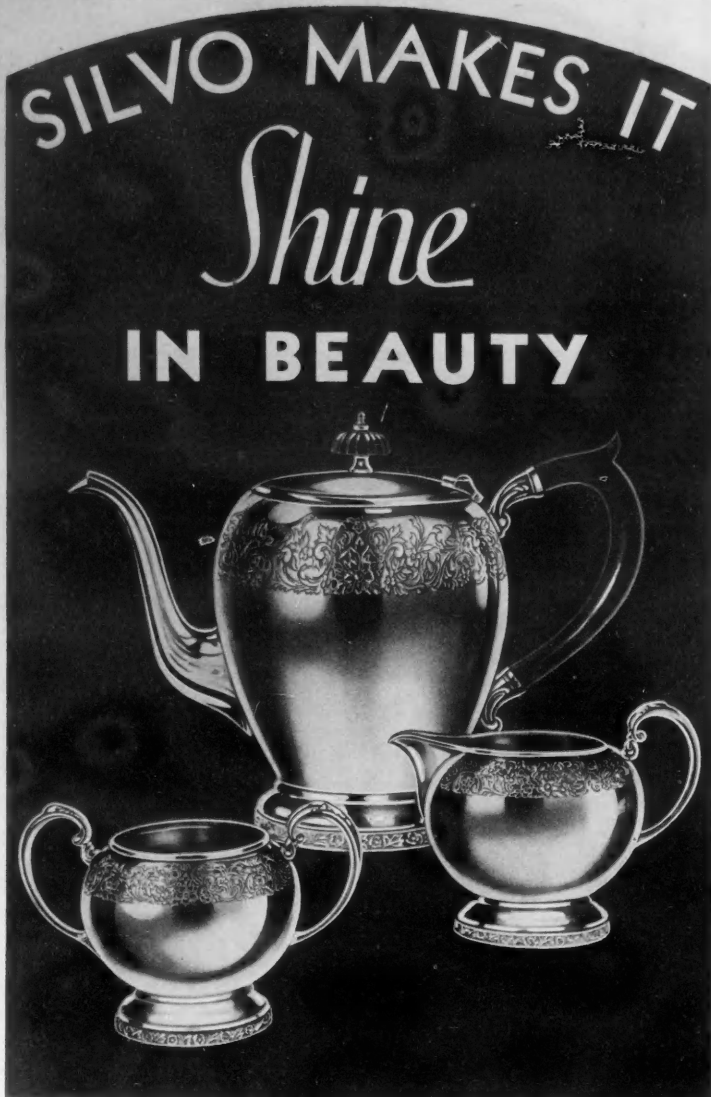
Centre, left to right: Madame Suzanne Silvercruys Farnam, the well-known sculptress, who acts as official hostess for her brother, Baron Silvercruys, Belgian Minister to Canada . . . Miss Rosemary Power, debutante daughter of the Hon. C. G. Power, Minister of Pensions and National Health, and Mrs. Power . . . Miss Dorothy Leggett, debutante daughter of Dr. and Mrs. T. H. Leggett, of Ottawa.

Inset: Miss Kathleen McConnell, debutante daughter of Mr. and Mrs. J. W. McConnell, of Montreal.

Below, left to right: Miss Margaret Curry, debutante daughter of Eng. Commander A. D. M. Curry and Mrs. Curry, of Ottawa . . . Miss Margaret E. Griffiths, daughter of Mrs. J. Ashley Fife, formerly of Fort William . . . Miss Georgette Coutu, daughter of Notary Georges Coutu and Mrs. Coutu, of Montreal . . . Miss Peggy Poe, daughter of Commander B. F. Poe and Mrs. Poe, of Kingston.

—Photographs by Karsb.





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THE DISTAFF SIDE

BY MARIE CLAIRE

THE extraordinary intermingling of Moslem ritual and Christian freedom in the recent wedding of Mlle. Farida Zulficar to King Farouk of Egypt seems to hold out some hope that eventually East and West may meet. The news headline "Bride watches wedding ceremony from window" made many a Western woman smile. After all, whose wedding is it? We feel Farida might well have asked as she pressed her nose against the pane. It wasn't until after the wedding was over that they called for the bride and drove her in her jewelled gown and coronet with a white transparent veil below her eyes, to the Palace where she was asked "Do you take this man to be your husband?"—but not permitted to answer. Moslem brides are held to be too shy to say "yes" and their silence gives consent.

However, with a complete reversal to western form, when the day's ceremonies were over the young King and his bride (they are both seventeen) hopped into Farouk's small car, which he habitually drives himself, and went out to see the fireworks. Apparently no one recognized them. There are probably no waggish friends in Egypt whose idea of humor is tying old white shoes to the back of the departing car.

Farida's trousseau was pretty royal. It is estimated that her forty-five gowns and wraps alone cost \$25,000. Farouk chose them all, and they were all designed and made in Egypt. There were four ceremonial Court dresses glittering with gold and precious stones. On the long train of one a verse from the Koran is embroidered in gold among the jewels. The three hundred pieces of most exquisite lace and satin lingerie were each embroidered with a crown and the Queen's name.

The King gave his bride what *Reuter* describes as "a radiant diadem inlaid with jewels." We prefer Daisy Ashford's "Young Visitors" description—"A small but costly crown." The Queen Mother bestowed jewels valued at \$75,000, and the Royal Princesses and Princesses presented cups made of solid gold inlaid with jewels and a golden tray, the whole estimated at \$125,000. All in all, quite an Arabian Night's entertainment.

But it's a hard life. "The bride is following Moslem tradition and is not appearing in public" says the despatch, adding hopefully however—"It is possible that in time existing tradition will become less severe, and the religious counsellors of the King, and the King himself, may agree that the Queen should appear before her subjects."

AS AN OLD Girl—what a shuddermaking term!—we were vastly interested in the Students' Exhibition of the Ontario College of Art last week. We thought the average of artistic production considerably higher than that of the day periodicals. Improved facilities, improved methods of instruction may have something to do with it. We prefer to think there is really more talent coming to light. Seems more hopeful somehow.

A French Impressionist, Matisse, if we remember rightly, once tried to explain what he was striving for by saying "I am trying to think myself back to the state of mind of a child." Some of the work here seems to show how closely he approximated that very thing. There is a vitality and eager sort of invention about a lot of work that is really expressive of youth. Most of the flesh tones are clean and the drawing amazingly confident. No art critic of ours, we still were impressed by the evidences of clean pallettes—muddy mixtures being the bane of most youngsters attempting oils—and the feeling for form. We learned, with no surprise, that sound drawing is religiously dinned into the pupil's consciousness as a necessary preliminary to any sort of progress.

Some of the studies by pupils in the third or fourth year classes of "moving models" in the life class were delightful. Quick sketches in red chalk of a nude small child were particularly fetching. Training the eye to register and the mind to retain two minute poses of adult models also produced some very lively work. The model holds the pose for 2 minutes while the students watch, idle but alert. The model leaves the stand and the students work quickly from memory. Obviously amazingly good training.

The students in the 10 to 14 Saturday morning class in design produced some very engaging results. Industrial and commercial art should absorb these youngsters as soon as they are free to work—three of the three R's—and all the rest of the gloomy mental necessities of life. Three patterns in paper "stick-downs" we remember with great pleasure: a cleverly simplified repeat design of orange, blue, and green, which close investigation showed to be a huckster pushing a cart of oranges up a street; another with blue soldiers against absurd green and yellow sentry boxes, and a third of coins scattered on a green and white surface which the intelligent producer suggested "perhaps for a Bank Wrapping paper or such."

A good Show from all points of view.

WHILE Fashion froths at the mouth with excitement over the Spring Opening in Paris during the first weeks of February, basic needs have already come to town. Spring's Foundation garment styles are now settled and the models on display.

The gods who decide these things are not insisting on anything very revolutionary, you will be glad to hear. We may still breathe, and eat, and even sit, walk, or run away when necessary, in comparative comfort. There is a hint more restraint and effort at the concave below the bosom—waistlines are a shade smaller, and bosoms a bit rounder; that's all. Considering what we have managed to order with our bodies in times past that won't alarm any woman. Look at your great aunt's wasp-waisted photograph; remember, if you can, the flat-as-a-board and uncomfortable-as-Gehenna pre-war brassiere—and thank your stars it isn't worse.



MRS. A. CAMERON MACNAUGHTON, of Toronto, President of the Women's Liberal Association, who was among those receiving at the formal opening of the Good Neighbors' Club, on February 11.

—Photo by Ashley & Crippen.

Schiaparelli—the clever one—has got the jump on the other Coutouriers by going into some sort of business-like arrangement with a big Foundation Garment house. "Sponsored by Schiaparelli" is now on certain of their most lyrical models. She is supposed to have overseen the designing of these—to have her own mannequins wear them, and think them particularly effective with her own clothes.

Among these we like best a smart, light weight, utterly boneless one-piece garment. Its sides are bias cut, two-way stretch lastex, there is a stitched satin panel in front and a plain one at the back. The bust section is lace and definitely high and formative. Another for that extra-curving below the bosom has a hem-stitched inset there of satin lastex with only an up and down stretch. The front satin panel is lightly boned and the side ones, of satin lastex again, have sideways but no up and down stretch. There is a bias zipper to make it all easy and the bras is called "Thrill"—of which you can make what you please. A dandy batiste girdle with lastex sides has the two side-front bones cleverly curved, which should do away with that maddening sticking-into-the-ribs that makes for so many nice waistlines and bad dispositions. There are several other models for heavier figures in which, personally, I cannot even pretend to be interested.

The very nicest brassieres of the Spring, we think, are the gauze ones. They have no weight and aren't for Junoesque gals but do a good job in that state of life for which it has pleased manufacturers to destine them and that is probably the first time a brassiere description has ever recalled the Church Catechism, or we are Bette Davis. Some of these gauze dainties shir down with a little ribbon between, and would be elegant for evening dress. "Bali Bras" are the newest efficiency for smartening up the heavy figure. They are having a tremendous success, the buyers tell me, so they are probably good.

STUFF and nonsense from the Gift Shop that you smart ones should know about, include the new transparent compacts and powder boxes from Paris. One compact's lid is a large and I understand, accurate compass. The theory being apparently, that some smart girls are like the Man in the Moon in the Whitcomb Riley rhyme who "whenever he wants to go North he goes South, and comes back with porridge crumbs over his mouth." There's a mirror under the compass lid, to reflect the mouth, if not the crumbs, and probably its wise to know where you're at occasionally. Anyhow we just thought we'd tell you about it. There is another with a trick ship all rigged under its convex glass lid. The big flat round powder boxes are slick. Gilt metal rims, glass top and bottom and cabochon "rubies" or "sapphires" stuck on in a row all round the lid—big matching swans-down puffs inside.

More seriously lovely possessions are the Viennese enamel on copper dishes and smoker's outfits. Vienna is tops in this kind of work and the designs on the figured pieces are by one of the prize winners at the French Exposition. A candy jar shaped like an immense apple, with brass leaves and stem for a handle, is a bit of beauty. It is chartreuse yellow to white, and dew drops so real you want to lick 'em, dot its top. It is lined with a gorgeous leaf-green enamel and is about seventeen dollars.

A cream and sugar set has ultra-modern flowers all over the inside, a black bowl for sweets, small fruits, ornament, or mayonnaise mayhap, has tiny gay field flowers scattered on it. A hand mirror, flat, modern and chrome-handled is a darling thing. On a riotous blue sea a sailor stands in a boat with a lady on land to port and starboard, and a yearning mermaid between. However, like most sailors, he seems to feel it will all work out nicely, and it probably will, for he holds three red hearts on strings in his outstretched hand. There are cigarette boxes and ash trays and things, but we hope some bright one buys the mirror and the apple soon. This Buyer knows his stuff, to hand him a vernacular orchid.

TRAVELLERS

Mr. Edwin F. Holcomb, Mr. and Mrs. Laurence Rochester and Miss Eva MacRitchie of Ottawa, have left for Miami.

Captain and Mrs. Reginald Rogers, who were in Montreal for a few days, have returned to their home in Halifax.

Important! Out of a whole season's pack we selected these tender medium-size peas... and named them HONEY DROP PEAS, for your protection and convenience in buying. Let the name HONEY DROP be your guide to medium-size, uniform quality green peas. Your grocer sells them or can get them for you.

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Ideal 18-Hole Course
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Grass Greens
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South's Best Golf FREE to WEEKLY GUESTS

Driving Range for 16 Players
18-Hole Putting Course
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Weekly Guests enjoy Horseback Riding without charge—Many Beautiful Trails, Tennis, Polo, Fine Airport (1 mile)

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SPOTS
AND STAINS
VANISH
WITHOUT
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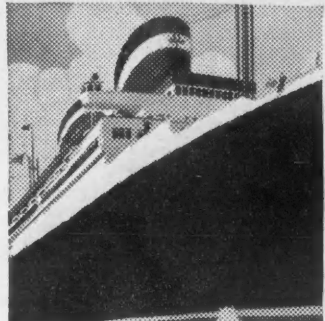
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"TOCCATA," an extraordinary study of Reginald Stewart, who is probably Canada's foremost interpreter of the music of Bach, by Floyd S. Chalmers who, in his spare time, is one of Canada's outstanding pictorial photographers. Mr. Stewart will be guest conductor of the Toronto Symphony Orchestra in Massey Hall, Tuesday, February 15, and on this occasion will lead the Orchestra in his own orchestral transcriptions of two of Bach's works.

LONDON SOCIETY

BY MARY GOLDIE

THE Canadian Women's Club of London held its annual Tea Dance this year in the ballroom of the Royal Empire Society. The arrangements for this gathering were in the hands of Mrs. McLeod, the wife of the manager of the Bank of Nova Scotia. Most of those present were young Canadian boys and girls who are in London following some course of study. They all seemed to thoroughly enjoy the opportunity of "getting together" with their fellow Canadians. Dancing was in progress from 4 o'clock until 6 o'clock and tea was served at the tea hour.

I met Mrs. Frank Beverley of Ilkley, Yorkshire in Oxford Street the other day. Travelling Canadians will remember her when, as Mrs. Lucy Kerr, she acted as social hostess on Mediterranean and world cruises of the Canadian Pacific Steamships. Before her marriage to Mr. Beverley, she spent her winters as hostess on these cruises and her summers in the same capacity in one of the most attractive of the Canadian Pacific Railway's bungalow camps in the Canadian Rockies. Her camp at Castle Mountain near Banff was a charming spot, made so not only by the natural beauty of the scenery but by the picturesqueness of the camp itself. Mrs. Beverley had filled the main lodge with articles which she had collected and brought back from the far corners of the world. She now has a charming house in Yorkshire and has had lately Mr. and Mrs. Richard Jack of Montreal among her visitors from Canada. Mr. and Mrs. Jack

are remaining in England for some time and Mr. Jack is at present in London looking for a studio in which he may continue working at several new portrait commissions. Mrs. Beverley's son, Alister Kerr, has taken a small flat in London and is reading for the Bar, having just come down from Oxford.

The engagement is announced between Lawrence Plewes, F.R.C.S., son of Dr. and Mrs. Plewes of Toronto and Faith Downing, daughter of Mr. and Mrs. W. F. Downing of Kensington.

Captain W. N. Bostock of Kingston, Ont., accompanied by Mrs. Bostock has arrived here on his way to the Staff College at Quetta.

AMONG those who have lately registered at the Bank of Montreal, 9 Waterloo Place, are Mr. and Mrs. Deniston Breakey, of Breakeyville, Que., and Lieutenant-Commander H. Nelson Lay of Esquimaux, British Columbia. Lieutenant-Commander Lay is a nephew of Mr. MacKenzie King and his home is in Barrie, Ontario.

Mrs. H. M. Cameron of Winnipeg has arrived to join her husband, Major Cameron, who has been here for some time. They are now living in St. John's Wood.

Mr. Roy Davis of Welland is at the Park Lane Hotel. Miss Harriet Cuttle of Quebec has been travelling in England and is now visiting in Antwerp and Brussels before going to Paris where she will spend some time.

Lieutenant Colonel Horace Westmoreland and Mrs. Westmoreland of Halifax have arrived in England and will remain here for six months. Of those Canadians who are resident in England there is always news. Mr. and Mrs. Maurice Brown (Mrs. Brown was Miss Ruth Eaton) have taken a flat in London for six weeks. Even while living in the country, Mrs. Brown comes up frequently to London. She tells me that their new flat is to be in Mayfair.

I HEAR that Mrs. Gordon-Lennox (the former Miss Diana Kingsmill) is at present working very hard as secretary to the Lord Mayor's China Relief Fund. This organization was started only recently and has already collected a considerable amount of money. But its aim is high and there is a great deal of executive and organizing work in connection with it.

Captain and Mrs. Guy Simmonds who have been living in England for some time, have returned to Canada. I believe they are to be stationed in London, Ont. Mrs. Simmonds is a daughter of Mr. and Mrs. Charles Taylor of Winnipeg.

Mr. and Mrs. James West lately spent a few days in London. Mrs. West was Miss Kathleen Scott of Toronto. She and her husband now live in Shrewsbury where he is a master at the Public School. Before her marriage Mrs. West spent some time in London as a member of the staff of Yardley's Limited in their Bond Street shop.

TRAVELERS

Mr. and Mrs. Victor M. Birks of Montreal and their small daughter, Susan, have sailed from New York by the Queen Mary to spend several weeks in England.

Mr. and Mrs. T. A. Pugsley were among the Torontonians who attended the first dinner dance of the season, which was given in honor of the President's birthday, at the Surf Club, Miami Beach. Before proceeding north Mr. and Mrs. Pugsley entertained at a luncheon at the Surf Club at which the following Torontonians were present: Mr. and Mrs. J. M. Wilson, Miss Jane Wilson, Mrs. Rhoda Massey, Mr. C. C. Jeffrey.

Sir James S. Barwick, Lord Dalhousie, Captain John Crabbe, Lord Forbes, the Duke and Duchess of Manchester, Lord Beaverbrook and Lord and Lady Duveen, of London, England, are spending some time in Nassau, The Bahamas.

Lady Eaton has returned to Toronto after being in France since September, spending Christmas in Switzerland with her daughters, Miss Florence Mary Eaton and Miss Evelyn Eaton, and her son, Mr. Gilbert Eaton. Lady Eaton, after spending some time with her son, Mr. John David Eaton, and Mrs. Eaton, leaves to occupy Eaton Hall Farm at King.

Mr. and Mrs. J. D. C. Forsyth of Kitchener, Ont., who went to Ottawa for the opening of Parliament and the Drawing Room, spent a week in Quebec where they were the guests of the Honorable the Lieutenant-Governor of Quebec and Mrs. E. L. Patenaude at "Spencerwood."

Colonel and Mrs. E. G. M. Cape of Montreal will visit Vancouver at the end of February en route from California. Mrs. Cape is a sister of Mrs. Robert Lecky of Vancouver.

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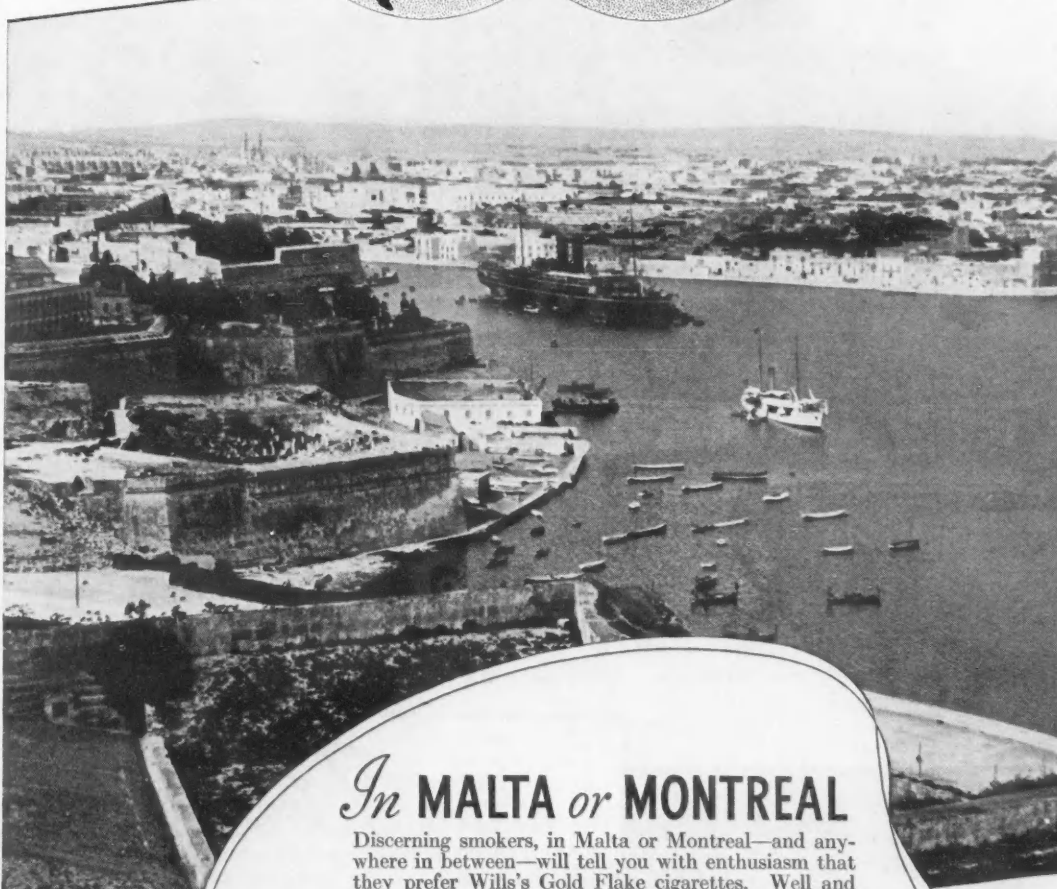
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NEW YORK LONDON PARIS TORONTO

Colonel and Mrs. Reginald Chaplin have left Vancouver for New York en route to the West Indies, where they will be joined by their daughter, Mrs. Rudolph de Trafford of London, England. Accompanied by her parents, Mrs. de Trafford will return to England in time for Easter.

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CONCERNING FOOD

BY CYNTHIA BROWN

"DON'T speak to me of St. Valentine," said a friend who is threatened with a children's party for her small daughter this month. (No children's parties are ever arranged by sensible people except under compulsion; threats of social ostracism for your progeny, promises made in the golden light of the creature's convalescence from mastoid, or things like that.)

"I'm fed to the back teeth with St. Valentine already," she went on. "Someone gave us a Valentine-making outfit yesterday. There are six cards to be colored by little hands. It takes hours. Then you make what is grandiloquently called a 'spring' out of bent cardboard and attach it to the card with paste which makes smears on the card so that your daughter cries. Next you paste a white lace paper heart on the spring and all the paste comes through over the lace. Over this you paste a red heart where the spring is attached, and by pressing it down with the foot find everything is firmly stuck to the card and the spring gone but not forgotten. Finally you choose a greeting supplied in flowing script by the management, 'For Grandmother'—seemed to me best, as you know my daughter cannot read and both her grandmothers are beyond the reach of Valentines. The whole thing was an Awful Experience. By the way, who ever thought of Valentines for grandparents anyhow?"

"What are you giving them to eat at the party?" we countered.

"Creamed chicken; my daughter scorns all parties now that don't furnish creamed chicken. Think of something to make creamed chicken look as unlike our homemade Valentine for Grandma as possible, will you?"

That's as much help as you can expect from a mother who is giving a children's Valentine Party. Press her and she will just get gloomy, and begin to wonder why she ever married.

CHILDREN have their compensations however. And they have a beautiful time at a well organized party on Feb. 14th. The traditional red and white and pink and general over-trimmed effect of the good Valentine's anniversary suits them down to the ground. So bear up and send out invitations written in white ink on red hearts and prepare to beguile your



MISS DOROTHY TAIT, of Toronto, who was presented at the recent Drawing Room.

—Photograph by Violet Keene.

daughter's friends with games and food.

A bubble-blowing competition is a good start. Individual white clay pipes tied with red ribbon should be

provided for each guest, and one bowl of soapy water tinted pink with cochineal and presided over by an adult member of the party to save an unnecessary amount of slopping about. Offer a prize for the biggest and most enduring bubble blown. A few drops of glycerine added to the water will give the bubbles strength.

Have a set of sheets of rough white drawing paper—the sort used in art schools for charcoal work—ready to pin up on a door—flood lit by a drop light. Turn out all but this light, after drawing the window curtains, and have an adult make a quick outline with a thick soft pencil, of the profile of each child, by simply tracing the shadow of the head thrown on the paper by the light. This "having your picture drawn" never fails to be a top flight. The likenesses are charming and each child will be thrilled to take her portrait home.

When the lights are turned on again release a generous number of red and white balloons in the room and let the guests scrap for them. This will reduce the party to a sort of free-for-all, but if you can hold a few large red balloons in reserve for the creatures who back down and go to pieces when their caught one has been wrecked by an ill-wisher—it will prove a very satisfactory preliminary to the party proper, which of course is tea.

Use lace paper doilies and red hearts and cupid's freely on the table. Red streamers from either corner to the chandelier hung with red balloons are impressive. A white-iced angel cake set with red balloons tied to slim sticks looks enough like a circus to be thrilling. Use comic Valentines for place cards—not the old one-centers with their rather broad humor, though children adore them. You must remember these will be taken home and you have a moral character to sustain with the other parents, likewise a reputation for good taste, let us hope. Get the ones that roll china eyeballs, or have diamond tears dripping down their love-lorn cheeks, or wool whiskers. The shops are full of such.

BY ALL means give them their stylish creamed chicken, but serve it in heart-shaped puff pastry shells. If you make your own puff paste from chilled butter and flour alone, cut two layers with a heart shaped cutter, and the centre out of one with a smaller sized heart shaped cookie cutter, and press one on the other lightly and bake.

For the chicken buy a good-sized boiling fowl and simmer it gently till tender. Skin and chop the meat. Make a white sauce with slices of onion in it. Remove onion and add chicken. Take off the stove and beat in one egg yolk to each cup of sauce, and it is ready to fill the little pastry shells. Serve them hot from the oven. Pimento or sliced ham cut in wee heart shapes and added at the last minute is probably worth the trouble.

Raspberry shortcake made with bottled or tinned raspberries is one good sweet. There should be two at any well turned out party. A good white light cake for this purpose is better than a biscuit mixture. Here's a recipe I can vouch for.

WHITE CAKE

- 1 cupful cream
- 4 egg yolks
- 1/4 cups sugar
- 1/2 teaspoon salt
- 1 1/2 teaspoons baking powder sifted with
- 1 1/2 cups sifted cake flour
- 1 teaspoon vanilla, or 1/4 teaspoon almond extract.
- 4 egg whites stiffly beaten.

Beat the egg yolks until thick and lemon colored. Add the sugar gradually and the salt and continue beating for 5 minutes more. Add the cream and beat until very light and fluffy. Mix in the flour lightly using 1/2 at a time. Add the flavoring and fold in the egg whites. Turn into 2 nine-inch cake pans and cook in a moderate oven (350°F) for about 25 minutes, or until edges shrink from the pan.

Fill between the layers with the drained raspberries, and put whipped cream vaguely tinted with cochineal all over the top and sides, and decorate with a few of the bigger berries.

It is important to have plenty of cream on this or youngsters will find it dry and leave it depressingly wrecked but not eaten. Wet, they will take it in through their pores.

Meringue shells tinted pink and filled with strawberry ice cream are very well thought of. Gild the lily by reducing some strawberry jam with hot water and a dash of lemon juice and offer to pour it over the whole.

Individual red jellies, made in heart shaped moulds and served on a deep "frill" of whipped cream are a simple and good sweet. Use a cherry jelly powder and set a red cherry in the bottom of each mould, or place it on top afterwards with two little pointed leaves cut off a green stick of angelica.

The juice from the raspberries combined with ginger ale and slices of fresh fruit—orange, lemon, and peeled grapes, make an admirable Punch. If you can get hold of one or two pomgranates—their juice will give an odd and delicious flavor and boost the color content considerably.

A great clay pipe cut out of white cardboard, with gayly colored "bubble" circles to pin in place, blindfolded, makes a pleasing variant of the old tail-on-the-Donkey chestnut.

After which you give the party its head until the pleasing hour arrives when the parents turn up to collect their little ones and load you with the thanks you have surely earned.

TRAVELERS

Colonel and Mrs. Tom Dann, who are in Bermuda on their wedding trip, were the guests of honor at a tea which Mrs. Felix Shaw of Montreal, gave for them at the Bermudian Hotel recently. Mrs. Dann was formerly Mrs. Herbert Snell of Toronto and Montreal, while Colonel Dann is Officer Commanding the Royal Canadian Mounted Police of Winnipeg.

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THE DRESSING TABLE

BY ISABEL MORGAN

INVETERATE week-enders, distinguished by their readiness to take flight from here to there at the drop of a hat without a flurry of packing, will approve of Helena Rubinstein's new Town and Country Week-End Bag which turns out to be a convertible shoulder and handbag. Use the long handle that comes with it and you have a smart, couturier shoulder bag. Remove the extra piece in the handle and it becomes a chic daytime purse. Light and easy to carry, it yet holds within it a complete beauty treatment for dry or normal and oily skins. Within its compact case there are no less than eleven beauty aids: Pasteurized Face cream for either type of skin, Youthifying tissue cream (or the Skin Clearing cream for the oily skin), Skin Toning lotion—all three the basis of sound beauty care. Then for make-up there is the luminous, velvety Town and Country make-up film, water lily peachbloom powder, red coral rouge-en-creme, red coral lipstick, and eyelash grower and darkener. Included also is the special pore masque for special beauty treatment, as well as hand lotion and a vial of Town and Country perfume. The Town and Country Week-End Bag holds everything one needs for complete daily care, for a quick clean-up treatment and make-up while en route, and for longer special beauty treatment. A good companion for the woman who goes away frequently for week-ends, for the sportswoman to keep in the car or club locker, for the business or professional woman to keep in her desk, for every woman who likes to have all her beauty essentials together in an organized, compact container. Comes in pelican grain fabrikoid in a number of colors, with ivory washable lining.



MR. AND MRS. A. J. GRANT, of St. Catharines, Ont., on board the Canadian National Steamships liner "Lady Hawkins" as they left Boston for a winter holiday in the West Indies.

TEETH, hands, face, body, all come in for their daily share of washing, but how many of us, even the most fastidious, practice daily eye bathing? Yet the eyes can be most delightfully refreshed and kept sparkling and rested by this means. Helena Rubinstein makes the ritual a matter of seconds by putting her Herbal Eye Bath in a bottle that has an eye cup as the cap. What is more, the eye cup is of non-breakable, easy-to-keep-clean bakelite. The preparation is a superior antiseptic compound that soothes and clears eyes, relieves eye fatigue and helps them keep that life-is-pleasure gleam.

FOR those who are accustomed to dressing and performing the toilette in ten minutes flat, we know of no more efficient allies than Royal Duchess Tabs—a group of three preparations that offer a completely new idea in make-up and toilet accessories. "Tabs" are round bits of flannel, about the size of a silver dollar, impregnated with preparations to fulfil their purpose quickly and easily. Facial Tabs, for instance, contain a blend of skin tonic, cleanser and foundation, and when rubbed over the face completely remove old make-up, leave the skin with that nice dewy feeling of refresh-

ment and ready for a fresh application of rouge and powder. With the jar of Facial Tabs (which contains about a hundred) there is included a small container so that a supply may be carried in the hand-bag. Besides these there are deodorant Tabs and Nail Tabs—the latter for use in the quick removal of nail polish.

THREE "musts" for fingernail perfection have been gathered together in one box by Elizabeth Arden. Included is Nail Protecto, a dramatic new discovery in cosmetics, a creamy, white liquid which forms a protective sheath beneath the polish. It should be applied from the half-moon to the tip of the nail. It must be allowed to dry thoroughly. This may take as long as five minutes but it is worth it for it both helps strengthen the nails and

make them flexible so they will not split or break. Next is the new Cyclamen nail polish, an exquisite shade for spring created especially for wear with the blue-pink tones from palest mauve to magenta. Apply the first coat lightly and quickly over the Nail Protecto. The second coat should be applied carefully in the usual way. This brings a beautiful gloss to the nail. Third is Cuticle and Nail-o-Tonik Oil—a ruby red oil containing vitamins to assure healthy growing, well-formed nails and perfectly conditioned cuticles. It should be applied to each nail every night using the little brush to work the oil around the cuticle and over the nail.

RADIO DIARY

BY CLARISSA DUFF

MONDAY: Yesterday was no day of rest for me. From eleven a.m. until midnight my time was spent, except for short intermissions when outraged nerves demanded a period of silence, in listening to radio programs on American networks. As some of these features were on the air simultaneously it was necessary to twist the dial at intervals from one wave length to another, but, nevertheless, I managed to get accurate information about each one.

Having heard them countless times I took "as read" the broadcast of the Philharmonic Orchestra, the concert under the direction of Erno Rappe and the Sunday Evening Hour. This left me with a formidable list culled from a much longer list in the radio columns. As it was manifestly impossible to check twenty musical programs, fourteen comedy and variety features, eight dramatic sketches and half a dozen talks and discussions, I ruthlessly blue-pencilled my original list. Selecting twenty-five representative broadcasts I began my grim task.

As a result of my investigations I am convinced that it is high time for the powers-that-be in American radio to hold a conference to consider the question of Sunday broadcasting from the standpoint of quantity and quality.

SUNDAY is heavily overcrowded with major programs—all of them designed to please that elusive person, the average fan. Sponsors and producers seem to think that these broadcasts must follow a certain pattern. When a concert program is on the air the music played by the orchestra should be selections from operettas of Victor Herbert and Romberg, Percy Grainger's "Country Garden" and Handel's "Largo". Singers are supposed to remember that they are not playing or singing for a few musical highbrows but for people who like a violinist to play a tune and a tenor to sing good old ballads. When a play is put on the air it should have its full complement of thrills, including an audience is present at these concerts it is merely incidental; the world's greatest conductor and this superb orchestra are a gift to the radio public. From all reports this highbrow program is looked upon with approval by the majority of listeners. At the present time Toscanini is sharing the spotlight with Charlie McCarthy, who has ousted Jack Benny from his position as radio's favorite star. Leaving the experts to make what they can of this peculiar situation I shall, at ten o'clock, desert Foster Hewitt and listen entranced to the magic of Toscanini and his orchestra. Later I shall ring up Bill and ask him for the final score of the hockey game.

tangle them gives up in despair and decides to read, or else tunes in to two or three programs with which he is familiar and pays no attention to the others.

TUESDAY: Leaving sponsors and radio officials to wrestle with the problem of discovering a method whereby the public can listen intelligently for ten or eleven hours on end to radio programs, I come to my next point—the question of what sort of material is suitable for the air on Sunday. Some months ago what might be called the silent voters of the American radio audience—the folk who seldom give any clue to their tastes in radio entertainment—rose in their might and to the amazement and consternation of broadcasting officials demanded a higher standard in programs. It seems to me that these same people, the backbone of the nation, will soon request less vaudeville-on-the-air on Sundays. As for variety and comedy programs—surely six evenings in the week are enough in which to listen to poor puns, wisecracks and threadbare jests. If I were a Taoist or a sun-worshiper my opinion would still be that too many important programs are broadcast on Sunday. As a professing Christian I think that some of them should not be tolerated on that day, and am quite certain that many millions of citizens of the great American Republic agree with me.

SATURDAY: Provided one likes opera and symphony orchestras, Saturday is a satisfactory day from a radio point of view. To be sure, the concert of the N.B.C. Symphony Orchestra begins while the hockey broadcast is on the air, but that is a minor problem compared with Sunday's perplexities. Radio is a topsy-turvy business. This time last year nobody would have dreamed that Arturo Toscanini would return to conduct a symphony orchestra which had been organized by a broadcasting company for the benefit of the radio public. Though an audience is present at these concerts it is merely incidental; the world's greatest conductor and this superb orchestra are a gift to the radio public. From all reports this highbrow program is looked upon with approval by the majority of listeners. At the present time Toscanini is sharing the spotlight with Charlie McCarthy, who has ousted Jack Benny from his position as radio's favorite star. Leaving the experts to make what they can of this peculiar situation I shall, at ten o'clock, desert Foster Hewitt and listen entranced to the magic of Toscanini and his orchestra. Later I shall ring up Bill and ask him for the final score of the hockey game.



'SALADA' TEA

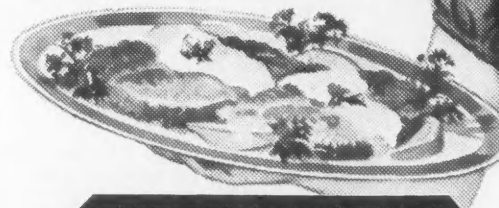


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THRILLS OF THE PRIMITIVE IN CIVILIZED COMFORT

THE SOCIAL WORLD

BY BERNICE COFFEY

THE annual Canadian concert of the Women's Musical Club at the Eaton Auditorium on Thursday, February 3, was the occasion of a real "party" when each member was given the privilege of bringing a guest. Taking part in the concert were Miss Frances James, soprano, Mr. Adolph Koldofsky, violinist, and Miss Gwen Williams at the piano. The concert was followed by tea in the Round Room where Mrs. Napier Moore, Mrs. W. F. Houston, Miss Lillian Sparling and Miss Florence Richardson presided at the tea-table.

A few of those noted at the concert and at the tea were: Mrs. Edmund Boyd, Mrs. Angus MacDonald, Mrs. H. Harcourt, Mrs. Robert Inglis, Mrs. J. C. McFarlane, Mrs. George Gilchrist, Mrs. D. J. Galbraith, Mrs. George Wrong, Mrs. W. B. Raymond, Mrs. Paul Matthews, Mrs. W. L. Chalmers, Mrs. J. A. C. Cameron, Mrs. H. M. Peacock, Miss Jean Peacock, Mrs. Gordon Shaver, Mrs. W. D. Ross, Mrs. Lovell Murray, Mrs. Wm. Houston, Mrs. B. K. Sandwell, Mrs. Gordon Davies, Mrs. W. H. Gooderham, Mrs. George Blackstock, Mrs. F. N. G. Starr, Mrs. A. C. Matthews, Mrs. W. N. Tilley, Mrs. Howard Ferguson, Mrs. Van Wyck, Lady MacMillan, Mrs. Latham Burns, Miss Ethel Shepherd, Mrs. G. Frank McFarlane, Mrs. Thomas Welch, Miss Florence Richardson, Mrs. Erichson Brown, Mrs. Harry Patterson, Mrs. Charles Comfort, Miss May Irwin, Mrs. R. Y. Eaton, Mrs. George Shaw, Mrs. R. Van Valkenberg, Mrs. Norman MacLeod, Mrs. Beverly McInnes, Mrs. E. F. Garrow, Mrs. R. B. Whitehead, Mrs. C. S. Band, Mrs. Y. R. Smith, Mrs. Eli Spivak, Madame Emmy Heim, Mrs. E. Ely, Mr. and Mrs. Arthur House, Mrs. A. J. Dilworth, Mrs. Stanley Mills, Mrs. Everett Bristol, Mrs. Douglas Warren, Miss Elinor Lyle, Mrs. de Bruno Austin, Mrs. John McDonald, Mrs. John Mitchell, Mrs. M. G. Counsell, Mrs. Gordon Finch, Mrs. Frank Hodgins, Mrs. John Ryrie, Miss Freda Henning, Mrs. Duncan Graham, and many others.

THE Hon. Cairine Wilson was the speaker at the Annual Meeting of the Toronto Branch of the Victorian Order of Nurses in Osler Hall, Academy of Medicine, on Thursday, February 10. The Honourable Albert Matthews, Lieutenant-Governor of Ontario, was present and Mr. T. Frank Matthews, President of the Board of Directors of the Branch, presided. Friends of the Order had long anticipated the showing of the film "The Little Black Bag," which was a feature of the meeting. The work of the Order throughout Canada is cleverly portrayed and includes activities of the Toronto Branch. Senator Wilson has been actively interested in the Dominion-wide program of the Order for many years, and as Chairman of the Education and Publicity Committee gave valued assistance with preparation of the film.

Preceding the meeting, Senator Wilson was the guest of Mrs. T.



MRS. GEORGE BLACK, Member of Parliament for the Yukon, who, with her daughter, Mrs. Lyman Black, is a guest of Mrs. A. F. Rogers during the session at Ottawa.

—Photograph by Violet Keene.

Frank Matthews and Mrs. John M. Godfrey at luncheon at the Ladies' Club.

AN ANTICIPATED annual event which always is the reason for numerous dinners and parties beforehand is the Dixon Hall Dance and Bridge which takes place this year on Friday, February 11, at Columbus Hall. Conveners are Mrs. Humphrey Gilbert and Miss Jean Wood, and those lending their patronage are Lady Kemp, Mrs. R. C. H. Cassells, Mrs. R. J. Christie, Mrs. Lionel Clarke, Mrs. Herbert Houston, Mrs. Gordon Osler, Mrs. Norman Seagram, Mrs. G. Harrison Smith.

MRS. J. EARL LAWSON is opening her house on Rosemary Lane for a tea to be held by Moulton College Alumnae Association on Friday, February 18. Mrs. Albert Matthews has lent her patronage to the event and will be present as guest of honor. Miss Jeannette Reddick will receive the guests, and Mrs. C. P. Fell is general convener, assisted by Mrs. T. B. Phillips, Miss Edith Henderson, Mrs. H. E. Edwards, Mrs. Alex Roberts, Mrs. J. B. MacArthur and Mrs. J. F. Galbraith.

Among those presiding at the tea-table during the afternoon will be: Mrs. H. G. Wookey, Mrs. Scott Stockwell, Mrs. R. C. Trimble, Mrs. Frank Wright, Mrs. R. M. Jenkins, Mrs. F. H. Adams, Mrs. Tracey Lloyd, Mrs. W. Stovell, Mrs. Harry Smith, Mrs. E. C. Fox and Miss Kay Cowan.

AMONG those who will entertain before the St. Hilda's College Alumnae supper dance at the Royal York Hotel on February 17, are Mr. and Mrs. Herbert Little, Mr. and Mrs. C. S. Leckie, Mr. and Mrs. R. A. Batten, Miss Margaret McCulloch.

ST. CATHARINES

AMONG the most successful parties of the winter season was a "cruise" supper dance which took place at the Hotel Leonard, given by the Duchess of Canaught Chapter I.O.D.E., on Friday, February 4. The room was strung with signal flags and the tables were cleverly decorated to represent ships with pairs of red and white funnels, life belts marked "H.M.S. Duchess of Connaught," and pennants bearing the names of the various ports of call on the cruise. The orchestra was on a deck and the guests were received by the Regent, Mrs. H. M. Campbell who wore a white taffeta gown and the convener, Mrs. C. G. Shaver, wearing gold lamé with corsage of roses.

Many cocktail and dinner parties preceded the dance at which some of the hosts and hostesses were: Mrs. H. B. Burgoyne and Mrs. Selwyn Harper, Mrs. Gordon McGhie, Mrs. Alan Notman, Mrs. Sheldon Falkner, Mrs. O. W. Ross, Mrs. W. J. Wood, Mrs. J. R. Leslie, Mrs. Gordon Shaver, Mrs. C. E. Hare and Dr. and Mrs. J. Harvey Burrows.

EDMONTON

FOLLOWING a recital in the Empire Theatre at which Muriel Kerr of New York, brilliant young Canadian pianist, was guest artist, Mrs. J. C. Bowen entertained the executive of the Women's Musical Club and about one hundred of the patrons of the Celebrity Concerts at a reception at Government House. Mrs. Vernon Barford, president of the Musical Club, received with Mrs. Bowen and Miss Kerr, the guests being presented by Capt. Donald Sims, A.D.C.

Miss Kerr's visit in Edmonton was of particular interest to musicians who remembered her first recital here a number of years ago when she

played as a small child and her remarkable ability was recognized. Mrs. Barford entertained at a luncheon for eight guests at her home in Miss Kerr's honor.

Here for the opening of parliament is Premier and Mrs. Aberhart's daughter, Mrs. Charles MacNutt, of Vancouver. Mrs. MacNutt is accompanied by her two little daughters, Beverley and Daunna Kaye.

Mr. and Mrs. Perren E. Baker are leaving shortly on the Panama cruise. Rev. Arthur Murphy with his daughter, Miss Evelyn Gowan Murphy, are spending the winter in Vancouver and Victoria.

Week-ends see the sloping hills and river valley alive with skiers, their gay togs a cheery tone of color on the white slopes. The Edmonton team, Bill Haliburton, Ben Clarke, Norman Rault, Frank Goodwin, John Hougan, Ronald Hougan, Rodney Pike, Clinton Brown, Howard Hodgson, B. McKinley, George Shipley, and Reg Rault have gone to Banff for the tourney to be conducted under the Canadian Amateur Ski Association.

Christine Newson, daughter of Col. and Mrs. H. M. Newson was recently in Winnipeg, where she contested the Canadian Amateur Junior skating championship. Miss Newson, a member of Glenora Club, is well known among western skaters, and recently with Margaret Sutton and Lorraine Cooke gave an exhibition of fancy skating in Seattle.

At a skating party at Silvancroft, Mr. and Mrs. H. M. E. Evans entertained in honor of their daughter, Ann Brada, who is leaving soon for Toronto.

ST. JOVITE

OF INTEREST to the ever-growing number of skiing enthusiasts is the announcement by the St. Jovite Ski Club that the third annual Mt. Tremblant Downhill Race on the Taschereau Trail, will take place on Sunday, February 13, at 1 p.m. The race is to be run on the Taschereau Ski Run, the longest Downhill Run in the Province of Quebec and one of the most interesting. It has a length of two miles with an average vertical drop per mile of 1,050 feet. It runs from the summit of Mt. Tremblant in a westerly direction to the famous Kandahar run but is not quite as precipitous. Headquarters of the Club are at Gray Rocks Inn, St. Jovite, Que.

WEDDINGS

VANCOUVER

Ford-Dickey — On Saturday, January 29, Mr. Graydon Jackson Ford, only son of Mr. and Mrs. A. J. C. Ford, and Miss Frances Jeannette Dickey, only daughter of Mrs. Harry Wilfrid Colgan.

RICHMOND, VA.

Huggins-Harvie — On Saturday, January 29, Dr. Victor Spencer Huggins of Evansville, Ind., son of the late Mr. and Mrs. Charles Edward Huggins of Halifax, and Dr. Katherine Chamberlayne Harvie, daughter of Mr. and Mrs. Beverly Harvie.

WINNIPEG

Monk-Stovel — On Wednesday, February 2, Mr. Henry Benning Monk, son of Mr. and Mrs. J. B. Monk, and Miss Helen Marguerite Stovel, daughter of Mrs. Stovel and the late Mr. A. B. Stovel.

CALGARY

Kayler-King — On Saturday, January 22, Mr. Carlton Huffman Kayler, son of Mrs. Kayler and the late Mr. E. A. Kayler of Nanaimo, Ont., to Miss Margaret King elder daughter of Mr. W. H. King of Millarville, Alberta.

PRINTS

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GEORGIA'S GOLDEN ISLES

BY ELIZABETH THOMPSON

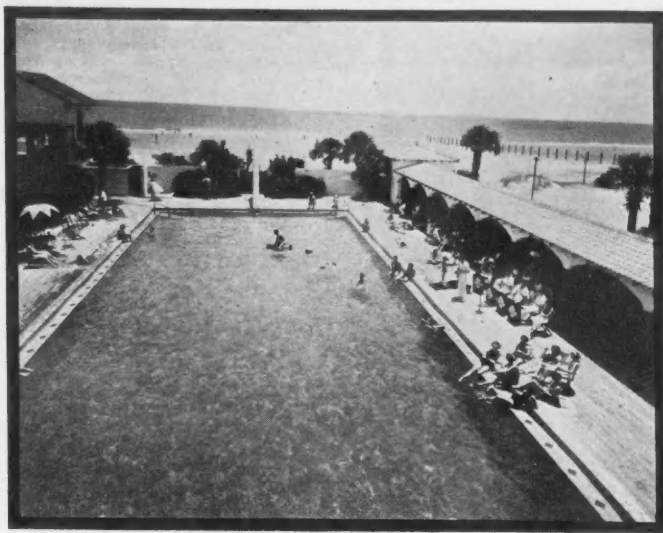
WHERE palms, moss-draped oaks, and bright-hued semi-tropical shrubs now form a fascinating background for a kaleidoscope of ever-colorful resort life at Sea Island, Georgia, Indians were probably the first to enjoy vacations on this coastal island now sought as an all-year playground by interesting cosmopolitan groups.

Long ago it was established that Indian tribes inhabited these Golden Isles of Georgia before the Columbian era. Recently archaeologists, making important discoveries at former Indian village sites on Sea Island and Saint Simons, have found traces of camps, evidently occupied each winter by northern tribes who paddled their canoes through the winding waterways to these islands, which were truly "happy hunting grounds."

When the Spanish came with sword and cross, black robed padres build missions on the islands as well as along the coast of the mainland, and Spanish dons rode their spirited chargers along trails bordered by palmettos and lofty pines. Still standing are ruins of Fort Frederica, built over two hundred years ago by General Oglethorpe's soldiers, the most important of early English fortifications. Not far distant is the giant oak under whose moss-hung branches John and Charles Wesley are said to have preached, and the marker memorializing the bravery of British soldiers in routing the Spanish at the decisive Battle of Bloody Marsh.

Tempered in winter by the Gulf Stream and cooled in summer by winds from the ocean, these islands with their picturesque setting and invigorating climate were sought by French Royalists fleeing the Revolution. Blackbeard and his daring pirate bands found seclusion in the serpentine waterways entwining these islands. In the Colonial era plantation life flourished here, where the aristocratic owners, grown affluent on Sea Island cotton and on the tremendous yields of their rice fields, were famous for their hospitality and entertained many of the nation's most important figures on their huge plantations off Georgia's southern coast. Ravaged by Yankee soldiers during Sherman's March to the Sea, these idyllic islands were laid waste for many years.

CENTRAL of the Golden Isles and the only one of the larger islands not privately owned is Saint Simons



SURROUNDED BY A SUN-DECK, the fresh-water swimming pool at Sea Island, Georgia, is adjacent to the broad smooth beach. The Sun-Deck is a popular luncheon spot for Cloister guests and Sea Island residents.

—Photo by Terhune.

Surf casting for channel bass at the banks near the camp also affords good sport. Cruisers at the Yacht Club take parties on deep sea fishing trips for sea bass weighing up to 45 pounds, drum sometimes tipping the scales at as much as 80 pounds, red snapper, and cobia.

SKET has become so popular in past seasons that every day there is shooting on the two well-equipped fields overlooked by the attractive Clubhouse. Tournaments are frequently scheduled at the Gun Club, which has become a leading southern skeet centre.

Holding an undisputed place at the head of the sports calendar at Sea Island, golf will attract even more attention this season with more than twenty-five tournaments scheduled to extend through the spring. Said by many experts to offer a greater variety of shots than any course in America, the Sea Island Club course affords the opportunity for two distinct types of play. On the first nine the tree-bordered fair-ways and undulating emerald greens are typical



SURROUNDED BY WATER on three sides, the undulating green on the short fifth hole of the Sea Island Golf Club course calls for a well-timed drive that will "stick".

—Photo by Terhune.

with Sea Island at the eastern end, separated only by the Black Banks River. These are also the only islands in the group connected to the mainland by a motor causeway, and easily accessible by rail, motor, and plane, as well as by boat. Now many of the nation's finest yachts ply the Inland Waterway and tie up at the Sea Island Yacht Club, while their owners visit on the island, or live aboard while they enjoy the diversified sports program at this resort.

Activity at Sea Island revolves about The Cloister, built in Mediterranean style and setting the keynote for the architecture of the many homes in the rapidly growing residence colony. The Spanish Lounge with its vaulted ceiling, beautiful arched windows, and great stone fireplace assembles groups for tea each afternoon, for demi-tasse every evening, and for orchestra concerts. Opening from this formal, but light, room, are the sun-room and card room, both bright with sunny pale yellow walls and décor featuring turquoise and yellow. Less formal than the Spanish Lounge, the Colonial Lounge and adjoining writing room feature a painting of the Fort Frederica ruins with a phantom galleon and phantom soldiers recalling Oglethorpe's successful command there. The Bamboo Room, which is devoted to games and aperitif parties, is the first of the series of clubrooms connected to the hotel by the Palm Corridor. The other three Clubrooms, reflecting strong modern influence and a color scheme of blue, white, and red, are always popular for informal dancing and aperitifs, as is the Palm Patio beyond.

Although it is hardly a lawn sport, fishing is quite good at the drops in the Black Banks River just opposite The Cloister entrance, where devotees of the rod and reel of all ages may be seen swinging their lines for trout, sheepshead, flounder, and whiting, from the dock or from the terrace of the Cloister Apartments—in truth, fishing from their own doorsteps! Equipment is available in the Fishing Cabin beside the dock, and parties frequently go out in bateaux or power boats for river fishing from the Sea Island Fishing Camp at the extreme eastern end of the island.

WOODED trails winding over the island invite equestrians to explore these picturesque pathways, and often parties ride to a chosen spot for a steak fry luncheon, for breakfast, or, on moonlight nights, ride over packed beach sands for an oyster roast by the sea. Driving trim light rigs is becoming more and more popular for following these shell lanes to spots of historic interest, while energetic vacationists prefer to do their exploring on bicycles or to ride on the smooth beach. The unique charm of the setting is a lure to motorists, too, who delight in driving to old missions and plantations on the mainland as well as the island, and enjoy stopping at a quaint inn for tea, perhaps after a search for antiques.

Especially during the late spring and summer season a great deal of activity centers about the Beach Casino, which overlooks five miles of the smoothest and safest beach on the Atlantic Seaboard. The adjacent swimming pool fed by artesian wells, is surrounded by a wall, which protects the broad sun-deck from the wind. In the spring each day sees groups gathered about gay umbrella-covered tables and relaxing in deck chairs, so intent upon attaining a smooth bronze that they lunch beside the pool. In summer a college orchestra gives daily concerts beside the pool, which assemble members of the cottage colony as well as Cloister guests.

Through the season, there is a daily program of sports and social events lending variety to life at Sea Island. Dinner-dances in The Cloister dining room, informal dancing each evening in the modernistic Clubrooms, bridge parties, concerts, and cruises on the Inland Waterway are regular features, with diversity added by moonlit oyster and steak roasts on the beach, stirring negro spirituals, Monte Carlo celebrations, crew races, and innumerable other interesting events.

No sport or entertainment at Sea Island has more appeal than that ultimate of luxuries—complete privacy in restful quiet. Sunny patios, always colorful with bright-flowered shrubs, the broad stretch of beach, and the terrace overlooking the river are perpetual lures to laziness, and the spacious lounges at The Cloister invite relaxation. For everyone who has longed to own an island, there are none of the difficulties and all of the advantages of an island domain at Sea Island, loveliest of the storied Golden Isles.

TRAVELLERS

Mr. and Mrs. C. M. King and Mr. Morris Milligan of Toronto, have sailed from New York on Raymond Whitcomb's "Normandie" cruise to Rio de Janeiro. This is the first cruise ever to be made by the French Line flagship, and will take about twenty-two days. En route to Rio de Janeiro calls will be made at Nassau, Bahamas, and Port of Spain, Trinidad. The Normandie will return by way of Fort de France, Martinique.

Brigadier J. M. Prower of Quebec has sailed for England. Lieutenant-Colonel L. J. A. Amyot, Honorary Lieutenant-Colonel of the Royal Twenty-Second Regiment, and Mrs. Amyot, and Brigadier-General and Mrs. T. L. Tremblay, all of Quebec, plan to leave soon for Florida. Colonel and Mrs. George Walkem and their daughter, Mrs. John Baxter, have left Vancouver to spend some time in California.



CYCLING ON THE SANDS affords fun for guests of all ages at Sea Island, Georgia. The splendid beach is also popular for surf and sun-bathing.

—Photo by Terhune.

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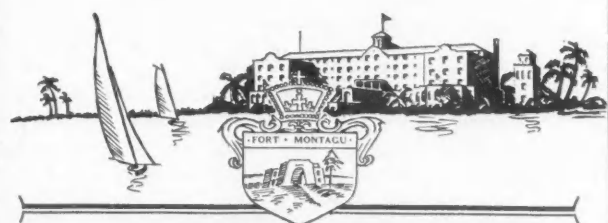
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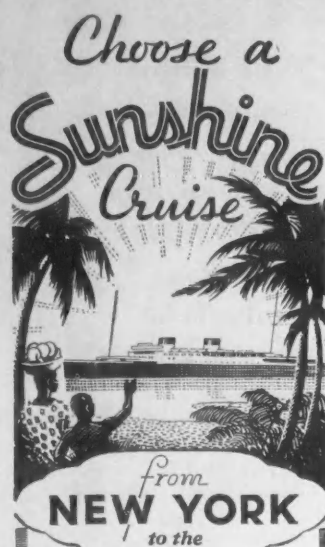
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—London Letter

THE HENDON SHOW IS OFF

London, Jan. 24

EVER since 1920 there has been an annual air pageant at Hendon, just outside London—though it is practically part of London now. This aerial display has always been a very popular show. Last June some 200,000 people witnessed it from inside the enclosures, and Heaven only knows how many from outside them.

Now the Air Ministry announces that there are to be no more air pageants at Hendon. The explanation for the decision is that, with the enormously increased pace and range of the new machines, Hendon is not nearly large enough to give a proper idea of the work of the Royal Air Force—to the people, that is, who have paid for their seats.

One alternative would be to arrange a small special display on the lines of the travelling air-circuses. But this the Air Ministry is unwilling to permit. It would interfere with the regular training of the R.A.F., of which the Hendon pageants were supposed merely to be a culminating display. Besides, the R.A.F. is not an air-circus.

Instead of the Hendon show, the R.A.F. is to be at home to the public on Empire Air Day, when all its aerodromes are to be open and special manoeuvres will be executed for the edification of visitors. A start in this direction was made last year. A certain number of aerodromes were thrown open in this way, and more than 400,000 people took the opportunity to see the R.A.F. at work.

Altogether it seems a better and more dignified idea. But a lot of people will probably be disappointed just the same. The Hendon air pageant had become one of the recognized big events of the London Season. And not the least disappointed will be the people that didn't pay but simply hung about somewhere in the neighborhood with a pair of field-glasses. They will now have to go a good deal farther afield.

SEEING that SATURDAY NIGHT celebrated its golden jubilee only a few weeks ago—very greatly to the



HON. RUTH BRYAN OWEN, the United States' first woman diplomat, speaker at a joint luncheon meeting of the Women's Canadian Club and the American Women's Club, Toronto, on Friday, March 11.

delight of such an old member of the editorial family as myself—I find my mind running a little on those pleasant anniversaries. There was, for instance, just the other day the golden wedding of that amazingly youthful elder Mr. Lloyd George. And now, we are told, the cigarette industry of Great Britain is having a fiftieth birthday, though there is no indication of what form the celebrations will take. A cut in the price—but then, of course some things are much too nice to expect.

This jubilee does not at all mean that the cigarette was invented fifty years ago. American Indians wrapped their tobacco in corn-husks long before the Spaniards ever arrived to acquire the habit—and nearly everything else in the country. Even the modern cigarette in its little tube of paper is much more than fifty years old. And there were few people who smoked them long ago in this country, but they were regarded as eccentrics—or worse.

All that is claimed is that it was about fifty years ago that the cigarette first became popular in England, as shown by a sudden outburst of cigarette advertising in the newspapers. The troops, who had been sent to Egypt and the Sudan following the murder of Gordon at Khartoum in 1885, came back about then, and brought the cigarette habit with them, having learned it from the Egyptians. It spread like an epidemic. And it has been spreading ever since.

Today more than three-quarters of the tobacco smoked in Great Britain is said to go up in cigarette-smoke. The figures are almost astronomical. According to the Board of Trade, 150,000,000 pounds of tobacco went into cigarettes in 1935. At about 300 to the pound—well, figure it out for yourself. Billions!

Incidentally, the National Excisequer draws not far short of £60,000, 000 a year out of cigarettes in excise duties. We cigarette fiends may be shortening our lives, but no one can say we are not patriotic.

DOWN in Dorchester they are selling Max Gate, which is Thomas Hardy's old home. It is shortly to be auctioned off. He built it himself, having been an architect by early profession, and he spent in it all his later years, dying there just ten years ago. Mrs. Hardy died there last October. Now, I suppose, there is no one to inherit it.

Max Gate is a very attractive place, about a mile outside Dorchester, and with a lovely view over the old town. But it is really a sort of Hardy museum, and should be kept as such. Heaven help the people who should

buy it with the intention of living in it! They will discover that they have become merely door-keepers and guides—whether they like it or not.

Dorchester is well known to be the Casterbridge of Hardy's novel, "The Mayor of Casterbridge". It is a grand old town, with a history that goes back to Roman times. They are always digging up Roman remains around there. In fact, when workmen were laying the foundations for Max Gate, they came on the skeletons of no less than three Roman soldiers. Rather a place for spooks, one would imagine.

As Hardy himself wrote, "it was impossible to dig more than a foot or two deep about the town fields and gardens without coming upon some tall soldier or other of the Empire, who had lain there in his unobtrusive rest for a space of fifteen hundred years."

If the town-fathers of Dorchester are wise, they will purchase Max Gate themselves, and keep it as a memorial of their most famous citizen. The financial difficulty should not be very great. Max Gate is likely for many years to come—probably for generations—to be a place of pilgrimage for the lovers of Hardy's work. It ought quite easily to pay for its upkeep.

Perhaps the town-fathers will buy it. But members of municipal councils are apt to be slow and parsimonious in such matters. Usually they wake up to their opportunity when it is too late.

ANOTHER famous place whose future is now being discussed is the Crystal Palace. The trustees held a meeting last week—said to be the longest and hottest in ten years or more—but it seems that no decision has yet been arrived at.

In the meantime, the debris left after the great fire of over a year ago has been cleared away, and the passer-by is no longer depressed by the sight of the gaunt and blackened skeleton of the famous glass-house. But even so, one is dimly conscious of the gap in the South London skyline.

Various suggestions have been made for the future use of this magnificent site, ranging from the reconstruction of the Crystal Palace to the turning of the land into a permanent open space. In fact, this latter suggestion was debated at the meeting, and found considerable support, but was finally voted down.

Another suggestion was that the site should be used for construction of a great hospital for South London. Certainly it would be difficult to find a better place for one, well above the surrounding district and with fine views in all directions. The air ought to be good there.

What the trustees seem really to be hoping for is a reconstruction of the Palace, though probably not in the original form—something much more modern, but built largely of glass. The difficulty seems to be to raise the funds for it. One of the directors, in fact, stated frankly that nothing could be done unless the Government could be induced to take an interest in the matter—which is a decorous way of saying "come across".

Unfortunately for the scheme, the Government is very unlikely to "come across". It has a great many far more important things to do with its money just now. And a new Crystal Palace is not the sort of venture that is likely to be self-supporting—not with all those new exhibition buildings that have become available in the past few years, and in better positions for the show business.

The idea of finally turning the place into a great public park seems to be the best and most likely solution. But it will probably be a long time before the trustees give up their ambitions for a newer, better, and bigger Palace. In the meantime—well, there is just nothing doing.



AMONG THE DEBUTANTES presented at the recent Drawing Room was Miss Clara May Gibson, daughter of Colonel and Mrs. Goodwin Gibson, of Toronto. —Photograph by Violet Keene.

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—By Rudolph Dirks



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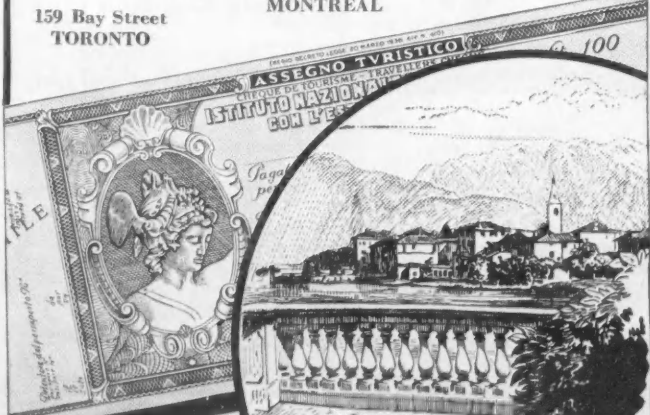
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SATURDAY NIGHT

BUSINESS * FINANCE * GOLD & DROSS * INSURANCE * THE MARKET

Safety for
the Investor

TORONTO, CANADA, FEBRUARY 12, 1938

P. M. Richards,
Financial Editor

A MERE LAYMAN LOOKS AT SOCIAL INSURANCE

And Finds That There Are Many Problems to be Solved Before a Workable Scheme Can Possibly be Set Up

BY THE LAYMAN HIMSELF

DURING the past year or so, and particularly since the passage of the Employment and Social Insurance Act, which was subsequently shelved, I began to realize, like most laymen no doubt, that "Social Insurance" is a phrase that is likely to become a by-word on the lips of Canadian statesmen and citizens. Like the ordinary layman, also, I was quite willing to leave the details of any legislation to those who constitute the Government, and confined my interest to a cursory review of the daily papers. From the mass of information they presented there gradually emerged a few of the problems which the government must face in formulating the regulations to govern such a scheme.

I noted the word "history," and mentally agreed that "history" was necessary; and because I noted that there is a wealth of British experience in the historical background, I felt somewhat more confident. Then there was the "scope" of the scheme. Scope? Oh, by all means we must consider the Scope! I contemplated "contributions" with some misgiving, but then I noticed the word "benefits," and my attention from contributions was, quite naturally, diverted. Benefits! Ah-h! After that I settled myself to determine just what "financial resources," and "management" were about; and ended by describing the task of Government—in the idiom of modern moving picture press agents—as "colossal," "tremendous," "gigantic"! This same magnitude, however, challenged my attention, and I therefore set about to learn more of this very important subject.

At the outset of my study I was fortunate in seeing in Hansard that the actuarial reports on Mr. Bennett's Employment and Social Insurance Act (which, though nullified by Mr. King's government will doubtless emerge in slightly modified form in the forthcoming legislation) made by Mr. A. D. Watson, of the Department of Insurance, Ottawa, and Mr. Hugh H. Wolfenden, two of Canada's leading actuaries, had been tabled in the House and were printed for distribution. On reading them, I was pleased to note that the actuaries had not confined their statements to purely technical terms, but had attempted to point out some of the obstacles which might confront our country when the plan was put into effect. The reports could not, of course, attempt to give the background necessary for a comprehensive understanding of any plan of social legislation. Pursuing the matter further, therefore, I discovered that a

great many individuals have attempted during the past few years to gather, from countries throughout the world where systems of social insurance already exist, information that will lead to a better understanding of the question. Not until I came across "The Real Meaning of Social Insurance," and "Unemployment Funds: A Survey and Proposal," by Mr. Wolfenden, who has therein assembled not only a complete outline of the history of social insurance, but as clear and analytical a conception of its meaning, its possibilities, and its limitations as I have found throughout my study, did I realize the wide gulf between the average layman and the expert.

When the author pointed out that "the term 'Social Insurance,' as it is generally understood, concerns the methods of guaranteeing income to workers and their families in the case of accident, sickness and invalidism, old age, death, and unemployment—the creation and administration of such schemes being usually, either in whole or in part, in the hands of the State, which assumes the ultimate responsibility for the financial sufficiency of the plan, and prescribes the bases upon which employers or employees, or both, are obliged to participate," and that "the term has thus come to mean insurance, of the types just described, under the legislative or administrative aegis of the State," I realized that this "by-word" (Social Insurance) too often is confused, in the minds of the masses, as a "pass-word" into a realm of ease and permanent security; that the scope and implications of social insurance are not at all clearly defined or understood by those to whom its service will extend; that the enactment of any social legislation will not, automatically, prove a "cure-all" for all of our present or future economic ills; and that the Government cannot, by some magical process, evolve a scheme which will fulfil all the requirements of such a program.

I BECAME conscious, also, of the prime importance of the layman knowing just what the term "insurance" implies. Any legislation which concerns itself mainly with the question of unemployment insurance is likely to mean to the majority of laymen, a guarantee of income in case of unemployment. The difficulty, however, is that they will not realize its limitations. It seems, therefore, the first thing that should be made clear is the meaning of the

(Continued on Page 24)



A SHIP IS BORN. Cammell Laird's shipyards at Birkenhead, England, the cradle of many a great ship, are at present fostering the new Mauretania. Using 2,000 men on the vessel in 24-hour shifts, the company expects to launch the ocean giant in July, 1938. This picture, taken at night, showing work completed to the height of the promenade deck, gives some idea of the ship's size.

GOLD SHARES

Buyers Consider Them Bulwarks Against Business Depression

BY HENRY JANES

On October 23, 1937, SATURDAY NIGHT published an article by Mr. Janes, stressing the favorable outlook for Canadian senior gold stocks. The points given then for buying big golds were their high yields and strong mine and investment positions; their relatively better action against the general bear market trend; their desirability as dividend payers in bad times and the possibility of heavy accumulation in gold stocks if general business conditions became more unsettled. Since the article was published, the Canadian senior golds have gained approximately 24 per cent, while the Dow Jones Industrial average has lost 22 per cent.

SINCE the earliest days of commerce, gold has always provided a measure of value and a safe form in which wealth could be stored in times of falling prices and uncertainties. In the past year, wide variations between market trend of senior gold shares and other types of securities provided modern investors with striking and very profitable opportunities for using the ancient rule of gold to measure the value of other equities and to protect capital and income.

When gold shares are studied over several business cycles, the evidence is quite clear that their market trends and earnings run almost contrary to general security prices and earnings, so good gold stocks are logical buys in periods of uncertainty when security and commodity prices are falling.

It is also evident that this feature of gold stocks is coming to be more and more recognized. For instance, the six Canadian senior gold stocks since the market break of last October have gained approximately \$90,000,000 in contract to general market losses. This was a much more rapid pick-up than in 1929, when accumulation of the six Canadian leaders, then small mines, went on slowly over a period of years. In the recent move of the golds there has been no sensational mine developments to account for any rapid increase. The answer must be, that many wealthy people who should be well-informed, believe that the market earnings and dividend outlook for the "golds" has improved in comparison to other securities. Since the heaviest buying came from the United States, the uptrend is a bearish reflection on

(Continued on Page 24)

BUSINESS AND MARKET FORECAST

BY HARUSPEX

THE PRIMARY OR LONG TERM TREND of stock prices and business turned upward in the summer of 1932. During the course of the recovery movement there have been three substantial setbacks, or corrections, the last of which is being currently witnessed. Like the two which preceded it, there is no present reason to assume that this setback is other than an interruption, to be followed, in due course, by the attainment of new high levels for the entire movement from 1932.

THE INTERMEDIATE OR SHORT TERM TREND of stock prices was signalled as downward on April 7, 1937. The subsequent decline represents a price correction of the advance since October 1933 in the industrial list, March 1935 in the rail list. The averages are now in a line formation, downside breaking of which would indicate further recession; upside breaking of which would indicate reversal of the intermediate trend to an upward direction.

STILL WITHIN BROAD LINE. Considering the railroad and industrial averages jointly, as Dow required, the market may be said to be still within the broad line which has been in evidence since last October. At the moment, one average, the rail, is below the line, but the other, the industrial, has refused to confirm.

Closes in both the rail and industrial averages at or under 26.34 and 112.63 respectively, would represent decisive, or other than fractional, penetration of the market's lower support levels, in which event prices could be expected to move appreciably lower. Such a (Continued on Page 23)



THIS business recession is silly. Or rather, we are silly to have one. For there was no real justification for a serious recession at this time. It must be obvious to anyone who looks around that an enormous volume of needs of all kinds was accumulated in the Great Depression, that these needs are still largely unsatisfied, and that the task of supplying them is big enough to keep us all busy and prosperous for a long time to come, several years at least. If you, Mr. Reader, are a business man, this column will bet that offhand you could name at least two or three manufacturing concerns that have long been considering the replacement of out-of-date buildings and equipment and, perhaps, expansion for the development of new processes and products. There are hundreds of such concerns, probably thousands of them, all needing to spend money to provide more work, increase productivity and lower costs.

THINK of the great strides made in research in recent years, of all the new processes, new materials and new uses for old materials that are waiting to be utilized or only beginning to be utilized. Some of these will revolutionize existing industries; others will give birth to new industries and products that may be as important as the automobile and radio. They will enter into every phase of our economic life, including, of course, agriculture. Production and productive efficiency and employment will greatly rise, costs and prices will decline and standards of living will rise further. We say "will", because the current recession is merely delaying the attainment of these things.

THIS recession is mainly political in origin; when the political forces that caused it have spent themselves, and political errors have been corrected, as they will be in time, progress will be resumed and the economy will ultimately be established on new heights of prosperity. We are confident of this because we believe that fundamental economic forces are infinitely more powerful than the governments which attempt to control and direct them, and that in the present case we are waiting only for the freeing of these forward-pushing forces. We believe that political influences, such as those which Mr. Roosevelt has exerted, do not determine the major swings between depression and prosperity, but that they can accelerate and retard these movements.

THE sustained progress which the advances of science, our bountiful supplies of credit and manpower and the widespread opportunities for their utilization seem to entitle us to expect, has been temporarily checked by the attempt of Mr. Roosevelt to give his people a "more abundant life" before the production of goods and services had been increased sufficiently to make it possible. Mr. Roosevelt's policy has been to take away from those who have in order to give to those who have not, whereas he might better have sought to increase the total wealth and production so that there might be enough for all. This column has criticized the Roosevelt course, not primarily because it objected to seeing the "haves" despoiled but because we believed that the methods used to bring about the "more abundant life" must result in seriously damaging the whole economy.

THE U.S. recovery was checked last spring because unsound tactics employed by the government had finally got the national economy seriously out of adjustment. The wage rates of U.S. labor were raised sharply (from 15 to 20 per cent, above the 1929 level) at the very time when the prices of industry's raw materials were also up sharply, and when the tax burden on business, including not only the income tax but the undistributed profits and the social security taxes, had been drastically increased. At the same time the government changed from an inflationary to a deflationary policy; though it continued to spend heavily, the tax increases, especially those for social security, made the government's revenue greater than its expenditures. In other words, the Roosevelt government began to take more purchasing power out of the economy than it was putting in. Coupled with all this went speeches by the President and government spokesmen regarding further extension of government regimentation of business. Is it any wonder that business activity declined?

WHAT happens now no one knows. The obvious course would be to retrace the steps which led to the present impasse, but Mr. Roosevelt has so far refused to do that because of feared loss of political prestige and because of commitments to labor and to various New Deal agencies. Ultimately the pressure toward business progress will grow strong enough to overcome the checks imposed by Mr. Roosevelt, but that will take time. In the meantime we can only watch the course of events at Washington and meditate upon the wholly unexpected results that sometimes follow the incursion of politicians into economic fields. The U.S. experience seems to show us that the holding of a noble (and popular) aim is not enough—that it is also desirable, for everyone's sake, that its pursuit shall not involve defiance of sound economic principles.

B.C. BUREAUCRACY MARCHES ON

Consumers Protest Establishment of Milk Pool—Potato Consumption Drops—Dictatorship in Mining Industry

BY REECE H. HAGUE

THE battle to make British Columbia safe for bureaucracy continues with unabated vigor; the persecution of individualists who dare to protest the authority—frequently of questionable legal validity—of compulsory marketing boards continues with a persistence worthy of a Nazi chieftain.

Despite the fact that the final test of the validity of British Columbia's Natural Products Marketing Act will shortly be made before the Privy Council, sixteen dairies have recently been haled before the Vancouver Police Court and fined for failure to take out a license from the Lower Mainland Dairy Products Board. It was noteworthy that the first dairies to be prosecuted were those which draw their supplies from the Independent Milk Producers' Co-operative Association and the Guernsey Breeders' Association, who have together paid all costs in the courts to the Privy Council for the forthcoming test case. Incidentally, for the privilege of operating, one of the dairies in question already pays a small provincial license; licenses of \$370 to the City of Vancouver, \$30 to Burnaby and \$20 to New Westminster and property taxes amounting to \$1,200 to Vancouver City.

Ever since the Dominion Natural Products Marketing Act was declared ultra vires by the Privy Council, the B.C. government has protested that it would welcome a test of its own marketing legislation; but has left the onus and expense of providing the test to independents and has lost no opportunity of short-circuiting ordinary legal procedure or alternately delaying hearings when by adopting one or the other course inconvenience could be caused to opponents of compulsory marketing.

The action of the government in hastily convening the Appeal Court in the holiday season immediately following the Manson judgment and, instead of appealing this judgment, drafting certain questions regarding the theoretical validity of the Act for an opinion of the Appeal Court has been criticized and a feeling engendered that the court has been utilized rather to serve the interests of the government than of the general public.

It would be interesting to know just what the Vancouver Daily Province had in mind when, in the course of a recent editorial dealing with the filling of the Appeal Court vacancy created by the death of Mr. Justice McPhillips, it pointed out that the qualifications advanced of the names of various men

mentioned for the vacancy were their political allegiance, their religion and their place of residence, while no reference was made to learning in law and other essential qualities in a judge.

"It is not unfair to say," remarked the Province, "that there have been occasions when the court has not inspired the confidence nor commanded the respect which should go, as a matter of course, to the highest court in the province."

FOLLOWING the highly conflicting Manson and Appeal Court judgments, and the lodging of a final appeal before the Privy Council, Basil Gardom, president of the Independent Milk Producers' Co-operative Association and leader of the fight in B.C. against all forms of bureaucracy, adopted the stand that no attempt should be made to force unwilling producers to accept any compulsory board or scheme until the validity or otherwise of Provincial Marketing legislation was finally settled and his and some other independent organization declined to take part in nominating a member to the Milk Board.

(Continued on Page 21)



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NOTICE is hereby given that a DIVIDEND OF TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 31st January, 1938.

By Order of the Board.
JACKSON DODDS G. W. SPINNEY
General Manager General Manager
Montreal, 18th January, 1938.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 302
EXTRA DIVIDEND NUMBER 42

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 25th day of February, 1938, to shareholders of record at the close of business on the 11th day of February, 1938.

DATED the 4th day of February, 1938.
I. McIVOR
Assistant-Treasurer.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 204

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1938, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st March next, to shareholders of record at the close of business on the 31st January, 1938. The Transfer Books will not be closed.

By Order of the Board.
A. E. ARSCOTT,
General Manager
Toronto, 21st January, 1938.

GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast appearing on the first page of this section.

HINDE & DAUCH

Editor, Gold & Dross:

Would you mind giving me some information on the common stock of the Hinde & Dauch Company. I remember reading a Gold & Dross item on this company early last summer and it gave me a very favorable impression. Now I see they have issued what appears to be an excellent report and I am thinking of buying some of the stock, especially as it seems to be at a very low price. Is there anything of an adverse nature that is not revealed in the daily papers? What do you think the outlook may be and what can a shareholder expect in the way of dividends? Sincere thanks from one of your regular readers.

—P. P. L., St. Thomas, Ont.

Hinde & Dauch common selling at 14, which is the low for 1937-38 to date as against a high of 22, is a splendid example of how uncertainty as to the business outlook finds reflection in the stock market. A yield of slightly over 7 per cent is entirely out of line on a stock of this calibre, backed as it is by a company in a strong position and with an excellent earnings record. Despite the pessimism displayed by the market, I do not think that you would be making a mistake in purchasing at current levels; Hinde & Dauch could suffer quite a drop in income during the coming year and still produce satisfactory returns for shareholders, keeping in mind the margin by which the \$1 dividend has been covered.

And I do not mean to imply that the outlook, so far as Hinde & Dauch is concerned, is at all particularly gloomy; as a matter of fact at the recent annual meeting the statement was made that the company anticipated a satisfactory 1938 with production even greater than 1937. Last year sales showed a 15 per cent increase and net rose to \$539,345 as against \$395,408 in 1936 or the equivalent of \$1.80 per share as against \$1.32. In 1935, \$1.15 was earned; in 1934, 80 cents; in 1933, 26 cents; in 1932, a deficit of 19 cents; in 1931, a deficit of \$1.00; in 1930, earnings of 3 cents; in 1929, 64 cents, and in 1928, \$1.76. Last year's earnings therefore constitute a record for the period and were, moreover, achieved at a time when the company was carrying out an extensive program of plant modernization. Despite the calling of the company's entire funded debt in 1937 (achieved partly through cash and partly through private arrangement) the last balance sheet shows a satisfactory position, with total current assets of \$1,407,945, including cash of \$17,655 and call loans of \$292,000, against total current liabilities of \$383,324. While inventory shows some increase during the year, this is considered normal having regard to the business volume. Change in the method of appraising fixed assets during the year, reducing the values to cost, will enable earnings to be shown on a more accurate basis henceforth. The company's capitalization in the hands of the public consists of 299,933 shares of no par value stock.

Hinde & Dauch is the largest manufacturer in Canada of fibre shipping boxes, paperboard and corrugated paper products, and its business volume, therefore, will depend almost directly upon the amount of consumer purchasing. So far in Canada this has held up well and general opinion now holds that there will be some upturn in the United States before the "recession" extends its full adverse effect across the border. In general, therefore, I would anticipate another satisfactory earnings period for the company during the current year; even though it should show a decline from the 1937 record, the common dividend appears to be well protected. The stock, therefore, appears to be a desirable buy with no apparent severe hazards to account for the present high yield available.

MARITIME TELEGRAPH & TELEPHONE

Editor, Gold & Dross:

I have been offered some of the common stock of the Maritime Telegraph & Telephone Company. I know very little about this company, although I have seen references to it in Gold & Dross in the past. Would you be good enough therefore to give me whatever facts are available as to the company's position, outlook and earnings in recent years. Just what is the return and dividend on the common. I see it is quoted around 15. In short do you think that a moderate amount of this would be a reasonable buy?

—K. B. W., Perth, Ont.

I do. Maritime Telegraph & Telephone is a well managed company with a relatively stable earnings record and has, in addition, been achieving substantial advances in recent years. The dividend rate on the common is 70 cents annually, having been fixed at that figure last year, through the substitution of quarterly 17 1/2 cent payments instead of the 15 cents quarterly and 10 cents extra paid in 1936. Although the margin of earnings over distribution has not been great, I think that the present rate can be maintained, now that the company, through refunding and new financing, has materially strengthened its position.

The year 1937 was an encouraging and excellent one for the company. Operating revenues rose to \$1,947,655 as against \$1,847,875 in the previous year and net was equivalent to \$2.66 on the preferred, against \$2.55 and on the common to 80 cents as against 76 cents. Interest was somewhat higher, due to the new financing, but the general strengthening of the position was notable. The last balance sheet now shows total current assets of \$816,364, including cash of \$416,991, as against total current liabilities of \$306,528, whereas one year previously there had been an excess of current liabilities over current assets of \$14,520. Change in the position, of course, was due to the increase in outstanding bonds from \$3,000,000 to \$3,500,000.

The story of 1937 is told as well, by figures other than financial. Number of telephone stations in operation was at a new peak, at 41,069 and both local and long-distance calls showed an impressive growth during the year, with the former at a figure of around 84,000,000. A large program of plant extension and improvement was carried out during 1937 and I understand that further developments are scheduled on a fairly large scale for 1938. These will be made possible, of course, by the strong liquid position outlined above. As to the past earnings record, as I mentioned, the position has been fairly stable with the exception of the worst depression years. In 1935 the per share figure on the common was 65 cents; 63 cents in 1934; 61 cents in 1933; 25

cents in 1932; 41 cents in 1931; 79 cents in 1930, and 83 cents in 1929. Dividends were distributed on the junior issue at the rate of 80 cents annually from 1928 to 1932; a reduction to 65 cents was made in 1933 and to 60 cents in subsequent years. An extra of 10 cents was paid on account of 1936 earnings and as detailed above, the base rate raised to 70 cents last year.

Maritime Telegraph & Telephone serves practically the entire Province of Nova Scotia and, through a subsidiary, controls the telephone system of Prince Edward Island. It has kept step with modern development in the communication field and now offers its subscribers a service with complete connections and up-to-date equipment. General conditions in the Maritime Provinces have been quite satisfactory for a number of years and there does not appear to be any specific prospect of unsettlement apart from the general, continent-wide business uncertainty. I do not anticipate the development of a major depression, which should be about the only factor capable of upsetting M.T. & T.'s earnings. At 15 for the common the yield is 4.66 per cent.

HOWEY

Editor, Gold & Dross:

I have always had an undefinable leaning towards Howey. Would you mind giving me some information as to its prospects?

—J. B. G., Halifax, N.S.

With efforts last year having failed to enlarge the ore position or open up new possibilities, and less than three years' supply ahead of the mill, Howey Gold Mines has been active in the search for new property. No ore of importance has been located below the 1,500-foot level, although the mine has been developed to 2,000 feet. It is anticipated within the next month or two will see the finish of the exploration and development campaign which has been so persistently carried out. With the completion of this program profits should be considerably increased. Reduced costs will follow and a higher grade of ore will be milled, as much of the ore left in the upper levels, which were the best in the mine. In addition the pillars, which will be removed as salvaging of reserves proceeds, contain better than average grade ore.

The latest interest acquired by Howey is a shareholding in East Malartic Mines, where a 500-ton mill is planned. The extent of its participation, which was in an offering of 1,000,000 shares at \$1 a share, has not been made known. Deals with Atnel and Heva Cadillac Gold Mines have been dropped. The outstanding exploration at the present time is in the Yellowknife River gold area in the Northwest Territories, where they have joined with Anglo-Huronian on a 50-50 basis in development of Giant Yellowknife Gold Mines. Control has also been secured by the two companies of the adjoining Vicmac group of 60 claims, as favorable structural conditions of the former property are thought to extend into this ground.

Howey's production for 1937 was approximately \$1,083,892 as compared with \$1,239,134 in the previous year and recovery per ton dropped from \$2.86 to \$2.02. The operating profit last year was around \$300,000, with \$200,000 having been paid in dividends. At the beginning of the year the company had a working capital of \$1,022,000, and some of its cash is invested in dividend-paying mining stocks.

LAPA CADILLAC

Editor, Gold & Dross:

Will you kindly give me the following information on Lap Alac Gold Mines, high and low market price, and if they have any possibilities of developing a good mine. Give width of vein or veins and per dollar per ton assays. Any other information available will be appreciated.

—A. W., Saint John, N.B.

As I have no record of any Lap Alac Mines, I am presuming that the stock in which you are interested is Lapa Cadillac Gold Mines. These shares are listed on the Toronto Stock Exchange and sold as high as \$1.33 last year and touched a low of 33 cents. The high and low so far this year have been 48 and 37 1/2 cents.

Yes, Lapa Cadillac has possibilities of developing into a profitable mine and at the present time is going ahead with plans for a mill with capacity of 250 tons, arranged so it can be increased to 500 tons at a comparatively small additional cost. Officials of the company feel that it is in the interests of economy to proceed immediately with the construction of a mill rather than wait until the ore position is more clearly outlined. The property has excellent management.

Estimates indicate 145,000 tons of ore, of an average grade of \$8.24, above the 540-foot level and the management believes that current developments will add materially to this reserve as work proceeds. Estimating operating costs at \$4.12, a gross operating profit of \$600,000 is looked for from the treatment of ore already indicated.

To finance construction of the mill Lapa Cadillac has made arrangements to borrow \$250,000 from Sudbury Contact Mines and in addition has approximately \$50,000 in its own treasury. Options have been given on the remaining treasury shares at from 50 to 75 cents to July 1 next, and even if the options

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FORTY-SECOND ANNUAL MEETING

The Directors of the Company have pleasure in submitting herewith the Forty-Second Annual Report for the year ending December 31st, 1937, duly audited.

BALANCE SHEET — DECEMBER 31ST, 1937

ASSETS		LIABILITIES	
CAPITAL ACCOUNT		CAPITAL ACCOUNT	
Office Premises and Land, Lindsay and Cannington	\$ 26,495.30	Capital Stock Subscribed and Fully Paid	\$10,000.00
Other Real Estate	89,955.10	Investment Reserve	599,000.00
Farm Properties	151,915.79	Reserve for Federal Income Taxes	285,000.00
City Properties	151,915.79	Reserve for Federal Income Taxes	4,500.00
Advances to Estates and Agencies	57,277.21	Dividend Declared and Payable January 3rd, 1938	12,150.00
Under Administration	57,277.21	Balance at Credit of Profit and Loss Account	17,364.48
Mortgages and Agreements For Sale—			
Principal	\$1,215,282.83		
Interest Due and Accrued	68,913.68		
	1,284,196.51		
Bonds and Debentures—			
Government, Ontario Municipal, School, District and Rural Telephone Bonds	49,336.40		
Foreign Government Bonds	21,853.60		
	71,190.00		
Stocks	6,297.50		
Loans on Company's Stock	19,350.03		
Loans on Other Securities	48,945.00		
Cash on Hand and in Bank	26,201.38		
Total Capital Assets	\$1,728,914.48		
GUARANTEED TRUST ACCOUNT			
Mortgages—			
Principal	\$5,364,924.79		
Interest Due and Accrued	219,974.69		
	5,584,899.48		
Bonds and Debentures—			
Government and Government Guaranteed Bonds	493,997.16		
Canadian Municipal, Rural Telephone and School District Bonds	199,205.45		
Canadian Corporation Bonds	319,243.04		
Foreign Government Bonds	58,220.81		
	970,676.46		
Total Guaranteed Trust Assets	\$6,743,291.33		
ESTATES DEPARTMENT			
Investments, etc., held in Trust for Estates and Agencies	1,311,770.71		
	\$9,783,976.52		
W. FLAVELLE, President.			

DIRECTORS

W. FLAVELLE, President
H. J. LYTLE, Esq., T. H. STINSON, K.C., Vice-Presidents
J. B. BEGG, Esq., WESLEY WALDEN, Esq., C. E. WEEKS, Esq.
W. E. REESOR, Esq., H. J. McLAUGHLIN, K.C.
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G. A. WEEKS, Estates Manager G. H. SHIPMAN, Manager, Cannington

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TEXAS CANADIAN

Oil Corporation, Limited
Semi-Annual Dividend No. 1

A semi-annual dividend of six per cent (six cents per share) has been declared by the Directors on the outstanding fully-paid shares of the Company, payable in Canadian currency on the 16th day of May, 1938, to shareholders of record at the close of business on the 1st day of April, 1938. Dividend cheques drawn on the Nassau Branch of The Royal Bank of Canada will be negotiable without charge at any branch of The Royal Bank of Canada, in Canada.

SATURDAY NIGHT

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BERNARD K. SANDWELL, Editor
N. McHARDY, Advertising Manager

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Vol. 53, No. 15 Whole No. 2343

MINES

BY J. A. MCRAE

MONETA Porcupine Mines recovered an average of close to \$21 per ton from ore treated during January. The mill first went into operation at the beginning of the month. All new mills absorb considerable gold in the circuit, and it is believed the actual mill heads during the period exceeded \$25 per ton. The mill treated 4,869 tons and has the appearance of being ultimately able to take care of 6,000 tons per month.

Kirkland Lake Gold Mining Co. realized a net profit of \$518,281 during the past year. Total income for the year was \$1,262,644. Operating expenses and general expenses amounted to \$585,842, or less than half the gross income. The net profit, after allowing for taxes and depreciation was very close to 10 cents per share on the outstanding capital of 5,326,699 shares. The mill averaged 326 tons daily and the ore yielded an average of \$16.24 per ton. The mill has now been brought up to 360 tons per day. Ore reserves are not fully estimated, but are the largest in the history of the mine. One shoot alone in the south vein between 3,375, 3,600 and 3,750 ft. levels is estimated to contain over \$3,000,000 or some 126,000 tons carrying close to \$25 per ton in gold.

Split Lake Gold Mines has been further financed and a contract has been let to extend development to the second level and to undertake at once the development of ore at two levels. The company's consulting geologist has indicated the ore shoot so far exposed carries \$26.25 per ton in gold across mining widths.

Red Lake Gold Shore Mines will extend its shaft to a depth of 1,000 ft. The winze is already nearing 1,000 ft. in depth, and the work of deepening the main operating shaft is to begin within the next two weeks.

New Golden Rose Mines, under management and control of Consolidated Mining & Smelting Co., produced \$28,257 in gold during December, averaging \$8.50 per ton. This compared with \$30,765 in November, averaging \$8.91 per ton.

Beattie Gold is expected to handle close to 600,000 tons of ore this year. The new roasting plant is operating efficiently and promises to establish an actual saving of 65 cents per ton. This points toward a saving alone of \$400,000 a year. The gross value of ore is around \$5 per ton. Operating costs are \$2.10 per ton at present. The ore reserve ahead of this rate of production is about eight years.

are not taken up the management is of the opinion that the loan and cash on hand will finance complete mill installation.

MOOSHILA

Editor, Gold & Dross:

As a subscriber I should appreciate some information on Mooshila Gold Mines. I purchased a number of shares in this company at 70 cents per share on the understanding that it was one of the most promising of the junior golds and that the stock would in a short time reach much higher prices. I have been unable to obtain any information on this property, but I see the shares are currently selling at six to eight cents and I should like to know the reason for this and if, in your opinion, there is any chance for this company.

—E. J., Vancouver, B.C.

Suspension of operations at Mooshila Gold Mines a few months ago resulted from need of additional finances, but company officials state that results of exploration and development to date justify further work. Surface work uncovered high grade narrow veins and judging from the favorable geological structure, these veins were expected to continue to depth and gradually widen out into greater widths. High grade ore, similar to that found on surface, was disclosed in development work on the three levels established, but the veins are still narrow and further development at greater depth is recommended.

The shaft was carried down to a depth of 372 feet and when further funds are available, it is proposed to sink the shaft down to the 1,000-foot level in the belief that not only will the high grade ore already disclosed down to the third level be proved to persist, but with the expectation that at some lower horizon the vein will widen and also extend laterally over to the east-west shear. Diamond drilling is projected for this zone, which work it is thought may have a very important bearing on the company's future.

As of August 31, 1937, the company had cash on hand and accounts receivable of \$1,626 as against liabilities of \$6,030. Between May 25 and August 31, they disposed of 1,181,255 shares of capital stock for \$178,505. An amount of \$60,000 is still reported as due to the company under sale of part of its unissued stock. Out of the authorized capital of 3,000,000 shares, 2,481,255 are issued. To electrify the plant and sink the shaft to 1,000 feet as recommended, and carry out contingent lateral work, it is estimated would cost in the neighborhood of \$250,000.

POTPOURRI

B. W. C., Quebec, Que. The financial statement of **GLENEAGLES INVESTMENT COMPANY LIMITED**, Montreal, operating one of the largest apartment buildings in that city, shows an increase of \$1,173 in net income for 1937, before depreciation, to a total of \$51,205. Allowance of \$10,000 for depreciation left \$41,205, representing 3.9 per cent on the first mortgage bonds, or 4.86 per cent before depreciation. These bonds amounted to \$1,052,300 at December 31, 1937, after a purchase by the company of \$21,000 in 1937, making the total now owned \$96,100. In January, 1938, \$20,700 more were purchased. Out of net earnings for 1937, the directors authorized payment of 1 1/2 per cent on the 5 per cent income bonds on September 15, 1937, and 2 per cent for March 1, 1938—a total of 3 1/2 per cent on the year's account. These payments will complete interest due to the end of 1935 with 1/4 of 1 per cent paid on account of 1936 interest.

M. G. W., Toronto, Ont. Yes, the principal holding of **ORO PLATA MINING CORPORATION**, which operates as a holding, exploration and development company, is between 1,500,000 and 1,600,000 shares of Jellicoe Consolidated. The company has an interest in Manitowish Gold Mines, Madson Red Lake, White Horse Gold Mines, Marago Mines, Wildcat property in Bois-chatel township, Quebec, where diamond drilling is proceeding, as well as other mining prospects. Nipilac Goldfield Limited, formed to take over approximately 287 claims between Little Long Lac and Lake Nipigon, is a subsidiary of Oro Plata. Some diamond drilling has been done on these but nothing of interest as yet has been reported. Oro Plata also has a share interest in Brown Oil Corporation and two pulp and paper operations. Of its capitalization of 2,000,000 shares, 1,201,000 are issued, and the company is reported to have cash on hand and accounts receivable of about \$250,000.

H. B. R., Alton, Ont. Yes, I think that **IMPERIAL OIL** stock, bought at 17 1/2 per share should prove a good buy; with the prospects of continued liberal dividends, I think this stock is attractive as a long-term hold. The company's 1937 report is not yet available, but I understand that receipts from International Petroleum—Imperial Oil's principal source of income—were approximately the same as in 1936. However, larger sales of gasoline and other petroleum products are reported for 1937 so that Imperial Oil's earnings record for last year should be slightly in advance of the 1936 report which showed 95¢ per share earned. I see no reason why International Petroleum will not continue its liberal dividend policy, and consequently, I see little change in Imperial Oil's earnings in 1938. Officials estimate that Canadian consumption for 1938 will be well maintained, but that profit margins will be somewhat narrower. The company is in a strong financial position which should, as I have said, ensure continuance of the liberal dividend policy pursued in the past.

D. H., Toronto, Ont. Holdings of **NEW RIBAGO MINES** comprise 600 acres in Beauchastel and Rouyn townships, Quebec, about a mile and three-quarters from Noranda, as the crow flies. A diamond drilling program is proceeding at the property with the 16th hole now being drilled. When first drilling proved disappointing, the drill was moved to another section and results here are said to have been more encouraging. The direction of the work is in the hands of Noranda's engineering staff and in return the company has agreed to give options on 2,200,000 shares, sufficient to give Noranda control if all are exercised. The first options do not fall due until February 15th. Yes, the property has gold as well as silver values, a copper-gold occurrence having been traced for a length of approximately 2,000 feet on surface. The shares appear quite speculative but no one knows what further drilling may disclose.

L. J. E., Oshawa, Ont. Under the circumstances which you outline, I would not recommend that you sell your **BRUCK SILK** common at the present time. The reason for the severe decline in the stock, quite apart from the current weak market condition, and the reduction of dividends to the present basis was, of course, the fact that in the year ended October 31, 1936, the company's net declined to \$2,475, or the equivalent of 2 cents a share, as against \$150,312, or \$1.20 a share in the previous year, and \$1.47 a share in 1934. For the fiscal year ended October 31st, 1937, the company reported a net profit of \$17,169, after all otherwise disposed of profitably, no dividends are likely to be paid on the common shares. While there has always been a good market for the preferred shares, there have been very few transfers in common shares and they were by private negotiation. Approximately 90 per cent of the common stock is held by a half dozen shareholders.

Sino-Japanese war is outlined in a report issued by the company which reads as follows: "However, company is faced with the prevailing world-wide shortage of its principal raw material, and in order to assure itself of uninterrupted supplies the management considers it necessary to acquire and carry a substantial stock of raw materials on hand and in bonded warehouse. Therefore, in order of the more favorable results of the year to date, directors consider it advisable to conserve liquid resources and to defer dividend action at this time." Whether or not this stock will rise to the price at which you bought it is, of course, impossible to say. However, the company is building up its earning power through diversification of lines of production at its mills, and I think when the threat of a major depression is lifted from over the head of business and the market, that this stock will show an appreciation above present price levels.

W. G. G., Charlottetown, P.E.I. In my opinion shares of **GUNNAR GOLD MINES** offer speculative attraction. Since milling commenced in May 1936, the production up to December 31, 1937, has totalled \$965,128, with December output at \$51,500 as compared with \$51,178 in November. The company has retired a loan of \$250,000, built up a good treasury position, commenced dividend payments and has experienced promising ore developments, which indicate new sources outside of the main vein. The blocked out and indicated ore picture is officially stated to have never been better than at the present time. **ALDERMAC COPPER CORPORATION** would benefit if there was any upturn in the copper market, but while little information is yet available regarding costs, the company is said to be making an operating profit. The concentrator is now handling nearly 1,000 tons daily, with copper concentrates being shipped, while pyrite concentrates are being stockpiled. A test shipment of 400 tons of the latter was made during November, preliminary to negotiations for sale of same.

F. P. W., Toronto, Ont. I think that, given definite evidence of an upturn in the market, the preferred stock of **CANADIAN CAR AND FOUNDRY** would be an attractive purchase. All news concerning the company continues to be favorable. For the year ended September 30, 1937, the company showed a net income of \$1,134,412, as compared with \$7,685 in 1936; a deficit of \$497,256 in 1935; a deficit of \$729,147 in 1934; a deficit of \$853,306, in 1933; and a deficit of \$730,037 in 1932. Despite the years in which the company showed heavy deficits, its latest balance sheet showed it to be in a strong financial position with total current assets of \$4,816,934, including \$409,308 in cash, as against total current liabilities of \$2,034,918. Net working capital was \$2,782,016. The company earned \$4.01 per 7% preferred share as compared with 3 cents in the previous year, 1936. Early in November, 1937, the company resumed preferred dividend payments at the old rate of \$1.75 per annum, and then declared a 50 cent payment on preferred arrears which at the present time amount to \$6.60 per share. The company reports a substantial carry-over of orders into 1938, with aircraft orders on hand from foreign governments amounting to approximately \$2,000,000.

S. R. D., Montreal, Que. When results failed to warrant further exploration on its Cadillac township, Quebec group, **YPRES CADILLAC MINES** examined about 30 new properties. The company now holds three groups, one in the Porcupine area, another in Quebec and the third in the Matachewan district. In connection with the work on the adjoining property are being awaited before any exploration commences. Attention is being concentrated on the Baden township holdings in Matachewan where surface exploration was encouraging. A diamond drilling campaign is now proceeding and I understand some encouragement has been met and further drilling will be done.

H. E. L., Toronto 8, Ont. The **CUBAN ATLANTIC SUGAR COMPANY** is capitalized at 729,000 shares of \$10 par value of which 714,000 share are outstanding. The company has no funded debt. For the period ended September 30, 1937, Cuban Atlantic Sugar showed a net income of \$1,817,904 as compared with \$1,213,253 for the same period in 1936. Earnings per share in 1937 amounted to \$2.55; in 1936, \$1.70. Total current assets in 1937 amounted to \$6,791,378, including \$2,684,014 in cash. Total current liabilities amounted to \$678,957, making net working capital \$6,112,421. The company paid a dividend of 75¢ per share in 1937—the first year in which dividends have been paid either by this company or its predecessors. I doubt if the Sugar Act of 1937 will affect the company adversely. In reality there is no great change in the system of marketing quotas under the new Act. The Secretary of Agriculture is empowered to apportion estimated domestic sugar requirements among the various sources of supply as formerly, except that the United States' insular possessions are accorded somewhat more favorable treatment than previously. Of more importance to holders of sugar stocks is the government's authority to regulate supplies, through the quotas, to prevent the price of sugar to consumers from becoming unduly high. This feature injects considerable uncertainty into the outlook for sugar prices generally, and consequently makes prospects for the domestic sugar companies more or less unpredictable at this time. In view of this uncertainty with regard to sugar stocks, and to the general business instability in the States, I think I would hesitate about increasing my holdings in Cuban Atlantic Sugar at this time, but I see no reason for liquidating your present holdings.

C. H. J., Victoria, B.C. With bullion production of \$101,515 in December the output of **PIERSON GOLD MINE** for 1937 will prove to be in excess of \$1,000,000. It was in February 1936, that milling commenced in which year production was just over \$492,000. The recovery per ton in 1936 was \$7.96 and last December was about \$10. Development work late in 1937 indicated that the 620 vein on the 600-foot, or bottom level, was the best so far developed in the mine. The 620 vein will average \$11 per ton over the 350 feet so far exposed. Total of over 600 feet of ore wider than the drift and above mine average has been developed on this level. The mill averaged about 343 tons daily in December. An option agreement has been entered into with the adjoining Pascalis property in which Perron has a year to carry on work for which Pascalis pays not more than \$50,000 on cost of underground work and \$25,000 on shaft account. If the results justify exercising of option Perron will increase its capitalization and Pascalis will receive 2,000,000 Perron shares, which appears to be quite equitable to both companies. Perron with production of \$100,000 a month should be making a nice profit, but it is difficult to guess just when dividend disbursements will commence.

K. J., Dundas, Ont. **MORROW SCREW & NUT COMPANY** has been in business for nearly sixty years and always paid on due date interest and principal of bonds when they were in existence. The bond mortgage matured June 1, 1931, and a seven per cent preferred stock issue was made sufficient to retire the balance of bonds outstanding. Dividends on the preferred shares have been regularly paid since that time. Sales for the past year have exceeded those of any year since 1928. While recent earnings might have justified a dividend on the common stock, the company is conserving its cash because of a large investment made in London Rolling Mills in 1931. This investment has not turned out profitably to date. Until this property is sold or otherwise disposed of profitably, no dividends are likely to be paid on the common shares. While there has always been a good market for the preferred shares, there have been very few transfers in common shares and they were by private negotiation. Approximately 90 per cent of the common stock is held by a half dozen shareholders.

Phillips Electrical Works, Limited

Phillips Electrical Works, Limited is engaged in the fabrication of copper rods and shapes and electrical wire and cable used throughout Canada and abroad. The Company also manufactures telephone equipment.

New Issue

Phillips Electrical Works, Limited
5% First Mortgage Sinking Fund Bonds
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Denominations: \$1,000 and \$500.
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The British Mortgage and Trust Corporation of Ontario

Incorporated in 1877

Balance Sheet, December 31st, 1937

ASSETS		LIABILITIES	
CAPITAL ACCOUNT:		CAPITAL ACCOUNT:	
Office premises	\$2,026.08	Capital Stock fully paid up	\$1,700,000.00
Furniture and fixtures	13,540.12	General Reserve Fund	700,000.00
Real Estate for sale	75,568.20	General Investment Reserve	125,000.00
Mortgages on real estate	530,204.52	Reserve for Taxes	12,244.76
In possession or control of mortgagor		Dividends payable 3 January, 1938	40,000.00
Principal	635,648.31	All other liabilities	259.75
Mortgages and Agreements for Sale:			
Principal assigned	\$257,579.63		
Interest due and accrued	166,171.00		
Less loans on same	39,158.14		
Interest due and accrued	27,012.86		
	16,498.06		
	301,088.55		
BONDS AND DEBENTURES:		GUARANTEED TRUST ACCOUNT:	
Canadian Municipal Bonds:		Guaranteed Investment Receipts:	
Principal	\$1,305,499.73	Principal	\$5,217,960.76
Interest due and accrued	73.00	Interest due and accrued	\$5,500.82
Other bonds	32,031.40	Trust Deposits:	
Stocks owned	203,919.87	Principal and Interest	\$2,823,090.68
Dividends accrued	1,628.06		
Cash on hand and in bank	76,350.42		
Advances to Estates	16,400.50		
TOTAL CAPITAL ASSETS	\$1,000,046.58		
GUARANTEED TRUST ACCOUNT:		ESTATES DEPARTMENT:	
Mortgages:		Estates, Trusts and Agency Funds	\$756,217.51
Principal	\$3,729,186.72		
Interest due and accrued	129,791.87		
	\$3,858,978.59		
BONDS AND DEBENTURES:		REVENUE ACCOUNT FOR 1937	
Government Bonds:		Balance brought forward from 1936	\$26,769.73
Principal	\$50,924.92	Net earnings on 1937 business	89,742.64
Interest due and accrued	4,311.00		
	\$55,235.92		
Government Government Bonds:		Of which the following distribution has been made:	
Principal	\$78,076.85	Half-yearly dividends Nos. 118 and 119 at the rate of	\$5,000.00
Interest due and accrued	900.00	8% per annum	\$80,000.00
Canadian Municipal bonds:		Balance carried forward to 1938	\$116,542.37
Principal	\$240,334.91		
Interest due and accrued	1,834.00		
	\$242,168.91		
Stocks	\$50,240.76		
Dividends accrued	1,988.00		
	\$52,228.76		
Cash on hand and in bank	43,889.63		
Total Guaranteed Trust Assets	\$3,317,176.04		
ESTATES DEPARTMENT:		ESTATES DEPARTMENT:	
Estates, Trusts and Agency Funds	\$756,217.51	Estates, Trusts and Agency Funds	\$756,217.51
	\$7,982,440.45		\$7,982,440.45

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Concerning Insurance

SCHOOL FIRE SAFETY

Proper Time to Safeguard Schools Against Known Fire Hazards is Before Catastrophe Occurs

BY GEORGE GILBERT

DESPITE the improvement effected during the last twenty years in the construction of new school buildings and in the reduction of fire hazards in many existing structures, the fact remains that a large proportion of the schools now in use may become charnel houses instead of agencies of human advancement.

Business men who have well safeguarded their manufacturing and merchandising properties against fire hazards have been charged with taking a different attitude when serving on boards of education—that is, that they have not regarded the school children as in need of the same protection as their mercantile buildings, machinery and goods. They may argue that children can walk out of a burning building while machinery and goods can not. It is true that in case of fires in schools children generally do escape, but from time to time the charred bodies of children bear mute testimony to the parsimony or lack of judgment

exercised on the part of those responsible for fire safety in schools.

There is still a lot of ignorance of even the fundamental principles of fire prevention and fire protection shown at times by those vested with the management of schools. In fact, the general ignorance of the public in the matter of fire prevention is largely responsible for the disproportionately large annual fire waste of the country in comparison with that of European countries. This ignorance is especially lamentable when it endangers the lives of children.

ANOTHER cause of the existing poor conditions in schools from the fire safety standpoint is inertia, the lack of a feeling of responsibility to take action in the face of known dangers. Examples are not wanting of cases where the necessity of correction of existing hazards has been specifically pointed out by qualified inspectors, and yet no action has been taken.

In some localities the failure to effect needed improvements is ascribed to lack of funds for the purpose. With pressing demands for more school accommodation, additional equipment, and increased teaching staff, the question of fire prevention and protection takes second place. As the probability is that no fire catastrophe will take place during the term of a given school board in a building under its control, the requirements of fire prevention do not seem to be urgent. Those who keep pointing out the danger of delay are often regarded as cranks.

Whatever may be the lack of funds, there is no excuse for failure to take the precautions against fire that are simple and inexpensive. Fires may be prevented by removing the causes of fires. This includes the proper handling and storage of oils and other hazardous materials, proper housekeeping methods, the disposal of waste of various kinds, the proper installation, inspection and maintenance of heating and lighting equipment, and attention to other similar fire hazards.

While many of these fire prevention measures are mechanical, a far greater number depend upon human inspection and performance. It is a sad fact that the human factor cannot always be depended upon, and that is why fire preventive measures alone are insufficient. It is necessary to provide means for extinguishing a fire as speedily as possible after it starts.

AN AUTOMATIC sprinkler system is unquestionably the most dependable device for accomplishing this object, as is proved by the record over a period of more than sixty years. It is generally agreed nowadays that automatic sprinklers afford the highest degree of protection against fire in practically all cases where there is combustible construction or material, the rapid burning of which is liable to be a menace to the lives of occupants of buildings.

By means of structural improvements and the use of fire-resistive building material, new buildings may be made to furnish a degree of safety which cannot be obtained in old structures except by the use of automatic sprinklers. Often, where the funds for the replacement of old buildings are not presently available, they can be made safe for occupancy in the meantime by the installation of automatic sprinklers in those parts of the structures where fires mostly originate, generally in the basements, or where the heating apparatus is located.

Records over a long period of years show the principal causes of fires in schools to be lighting, stoves and furnaces, chimneys, matches and smoking, and spontaneous combustion in various materials. In the ordinary public school, containing only classrooms and a basement with heating equipment and storage rooms, the fire hazards are limited largely to heating and lighting systems and to poor housekeeping.

In the high schools and technical schools, there are fire hazards created by the use of power-driven machinery, combustible working materials, inflammable liquids, chemical laboratories, etc. Gasoline, benzene, and alcohol are commonly used in connection with technical courses for internal combustion engines, blow torches and cleaning machine parts. Their use should be restricted, the quantities kept on hand reduced as much as possible, and necessary quantities should be kept in approved safety cans, which are designed to prevent spilling, leakage or explosion.

MAIN supplies and even the safety cans should be stored outside the main building when not in use, unless there is a properly ventilated fire-resistive vault inside the building. Lubricating oil, lard oil for cutting metals, linseed oil and turpentine for painting and wood finishing, paints, varnishes and other inflammable liquids find their way into schools, frequently in large quantities. Some of these liquids are spontaneously combustible, all burn fiercely, and fire in them is hard to extinguish.

For that reason the main storage place for oils and paints should be outside the principal building in a specially constructed oil house. If that is not feasible, a fire-resistive vault, properly drained and ventilated, should be used. Local supplies in the various workshops should be kept in metal cabinets provided with tight-closing doors and drip pans. It is standard practice to use only electric lights in oil storage rooms, and such lights should be protected by vapor-proof globes. Switches for the lights should be located outside the room.

Sufficient importance is seldom attached to the necessity of good housekeeping or good caretaking in schools. Poor housekeeping is so frequently a



CHARLES P. FELL, President, Empire Life Insurance Company, whose new insurance paid for and revived in 1937 amounted to \$4,421,143, and whose insurance in force at the close of the year totalled \$35,525,728. Assets amounted to \$8,950,249 and surplus for protection of policyholders was \$565,342. Total income last year was \$1,488,622.

factor in starting and spreading of fire that every effort should be made to avoid it. It costs nothing to make certain that a high degree of cleanliness is maintained from a fire prevention standpoint. At least once a year every school should be gone over thoroughly as regards roofs, attics, classrooms, closets and basements in order to make sure that every bit of rubbish and unnecessary material is removed.

ACCIDENTS AND COMPENSATION TO WORKMEN IN ONTARIO

THE number of accidents reported to The Workmen's Compensation Board of Ontario during 1937 was 70,582, as compared with 61,382 during 1936.

The fatal accidents numbered 376, as against 375 during 1936. The total benefits awarded during the year amounted to \$6,129,960.55, as compared with \$5,643,798.79 during 1936, the 1937 figures being made up of \$4,878,112.08 compensation and \$1,251,848.47 medical aid.

Taking a basis of 300 working days, the average daily benefits awarded amounted to about \$20.435, requiring an average of 963 cheques per day. The average number of new claims reported daily increased from 205 in 1936 to 235 in 1937.

There were 5,728 accidents reported during December, and the benefits awarded amounted to \$572,556.65.

NATIONAL HEALTH INSURANCE AND INCURABLES

In Great Britain the national health insurance scheme is administered by what are known as approved societies. The Sheffield United Friendly Societies, however, has announced its desire to be dissociated with the following passage in the speech of Mr. T. A. Spearing in the course of his presidential address at the recent conference of the National Association of Approved Societies:

"When the patient's condition has much deteriorated he is able to order institutional treatment and the community then spends large sums which, in some cases, serve only to prolong the life of an already doomed individual. Neither those who believe in a hereafter, nor those who do not, can justify a heavy expenditure of talents and money merely upon lengthening the earthly days of those who can never work again, unless they are satisfied that all necessary talents and money are already being devoted to the conservation of the highest degree of health of those who may still have many days before them."

SASKATCHEWAN LIFE BUSINESS IN FORCE \$9,044,512

THE Twenty-fourth Annual Report of the Directors of the Saskatchewan Life Insurance Company was presented at the annual meeting of shareholders on January 25th. New insurances, on a settled-for basis, amounted to \$1,507,828.00 for the year. Total business in force, including group insurance and deferred annuities, increased to \$9,044,512.00.

That Western Canada is a healthy place in which to reside was further confirmed by the continued favorable mortality of the company, the actual experience being 35.65 per cent. of the tabular provision. This company confines its operations entirely to the four provinces of Western Canada.

Total payments to policyholders, during the year, amounted to \$190,235.00, of which sum over 80 per cent. was paid to living policyholders. The surplus funds of the company, including the amount allotted for dividends to policyholders, as well as investment reserves, now amount to \$337,898.46.

The following Directors were elected: For the Shareholders: C. M. Willoughby, Dr. David Low, Geo. H. Barr, K.C., J. A. Cross, K.C., Wm. H. Duncan, M. B. Farr, A. E. Whitmore and T. A. Wilson, all of Regina, Sask. For the Policyholders: I. H. Bowman, Regina; W. E. Kirsch, Moose Jaw; G. C. Thomson, Swift Current, and R. A. Wright, Regina and Pittman, Sask.

At a subsequent meeting of the Board, C. M. Willoughby was appointed President; Dr. David Low, First Vice-President and Medical Referee; Geo. H. Barr, K.C., Second Vice-President; M. B. Farr, General Manager, and W. F. Curell, Secretary.

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ABSOLUTE SECURITY W. R. HOUGHTON, MANAGER

FIDELITY Insurance Company of Canada TORONTO

INSURANCE INQUIRIES

Editor, Concerning Insurance:

We are enclosing herewith an advertisement of the Liberty Mutual Insurance Company. We would be glad to know if this company is registered in Canada and also any other information that you may have.

—H. M. F., Belleville, Ont.

Liberty Mutual Insurance Company, with head office at Boston, Mass., and Canadian head office at Toronto, was chartered in 1911, and has been doing business in Canada under Dominion registry since December 30, 1936.

It is regularly licensed in this country, and has a deposit with the Government at Ottawa of \$80,250 for the exclusive protection of Canadian policyholders. At the beginning of 1937 its total assets in Canada were \$80,347.66, while its total liabilities here were nil. Its head office financial statement showed total admitted assets of \$47,131,487.19, while the total liabilities except the guarantee fund amounted to \$40,091,522.68. Thus there was a surplus as regards policyholders of \$7,039,964.51. As the guarantee fund amounted to \$200,000.00, there was a net surplus of \$8,839,964.51 over guarantee fund, reserves and all liabilities.

All claims are readily collectable. The company is in a strong financial position and is safe to insure with.

Editor, Concerning Insurance:

I have never had an insurance policy mature as yet but will have one in a couple of years. Will you kindly inform me if in accepting the cash payment for this endowment policy, the whole amount (\$5,000)

SUN LIFE

ASSURANCE COMPANY OF CANADA

HEAD OFFICE

MONTREAL

Sixty Seventh
Year of Public Service

A FEW FACTS....

THE REPORT FOR 1937

reveals another year of successful operation. Impressive increases in Assurances in Force, New Paid For Life Assurance, and Assets, mark the continued progress of the Company.

MORE THAN A MILLION PEOPLE co-operate through the service of the world wide organization of the Sun Life of Canada, for their mutual protection against hazards common to all. As the Company grows, the greater is its contribution to public well-being.

SUN LIFE POLICYHOLDERS, for the most part, are people of moderate circumstances, and each policy is a personal and family asset which not only provides for security, but is also a partnership in one of the world's greatest co-operative and profit-sharing enterprises — Life Insurance.

....AND FIGURES

Assurances in Force, December 31st, 1937	\$2,896,589,103
New Assurances Paid for during 1937	250,064,011
Payments to Policyholders and Beneficiaries	
During 1937	76,203,342
Since Organization	1,122,307,344
Assets, December 31st, 1937	831,291,743
Liabilities	801,173,535
Paid-up Capital	2,000,000
Surplus and Contingency Reserve	28,118,208

All standard plans of Life Assurance for individual or group protection are available through the SUN LIFE OF CANADA. The service of the SUN LIFE OF CANADA is world wide and representatives of the Company are always ready to offer expert advice and assistance.

The Annual Report will be mailed to all policyholders. Others may obtain a copy upon request.

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League Schedule
\$\$\$\$\$\$\$ vs. Regret

The Top player in any league is conditioned to a nicety for every contest. He builds up his offensive and defensive powers long before the first game is played. As a league player, are you living up to training rules?

In that schedule league game where accident and sickness is the coach, are you prepared?

Do You Win With \$\$\$\$\$\$
OR
Lose With Regret?

Our lifetime indemnities at low cost is the answer.

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3 WAY POWER

Business sets a high valuation on the three quick, human reactions to letters written on Earningscliffe Linen Bond... reactions that register even before the typed words are read. The beauty and dignity of Earningscliffe Linen Bond appeal irresistibly to the eye, while the fingers sense its crisp substantial texture and the mind approves its obvious quality... instant impressions that arouse the recipient's respect, confidence and goodwill. No wonder Business regards this fine paper, made from clean new-logs and selected pulp, as of first rate importance in maintaining prestige.

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Facts and Figures
From 24th Annual Statement

New Issued Business	\$1,627,024.00
Business in Force	9,044,512.00
Payments to Policyholders	190,235.00
(Over 80% to living policyholders).	
Insurance and Annuity Reserve	1,386,810.00
Special Reserve and Surplus	337,898.00

Assets are well distributed between Bonds and Debentures, Rural Mortgages and Urban Mortgages. The Company confines its activities to Western Canada and is truly a Western Company for Western People.

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SASKATCHEWAN
INSURANCE LIFE COMPANY

C. M. WILLOUGHBY, President
HEAD OFFICE, REGINA, SASK.
M. B. FARR, General Manager
Licensed in MANITOBA—SASKATCHEWAN—ALBERTA—BRITISH COLUMBIA

is liable to both federal and provincial income taxation?

It seems to me it a maturing policy is subject to income tax and then again to succession duties, it will not be very encouraging to life insurance policyholders.

—M. H. B., Ingersoll, Ont.

In accepting the cash payment of the whole amount of your endowment policy when it matures, you will not have to pay any income tax on it, as neither the Province nor the Dominion levies income tax on the proceeds of policies received in a lump sum.

With respect to succession duties, the recent amendment to the Ontario Succession Duty Act, dealing with

BUREAUCRACY MARCHES ON

(Continued from Page 17)

The Fraser Valley Milk Producers' Association and Milk Shippers' Agency, however, appointed members who, after an intensive search and being turned down by their first choices, eventually succeeded in inducing a third man to act as chairman. The resuscitated Board at once announced its intention of increasing milk prices, improving the quality of the milk and reducing the present minimum bacteria count of milk distributed.

This necessitated the Fraser Valley Milk Producers' Association—which to all intents and purposes has been the Milk Board of B.C. in the past—advertising in the Vancouver press that it was opposed to any increase in milk prices; that the milk now being distributed in Vancouver was of high quality and with a bacteria count pronounced by experts to be lower than that of any similar quantity of milk supplied to any city in Canada.

As a result of a recent move by the Independents, Premier Pattullo is at present being inundated with signed communications by Vancouver milk producers protesting against any compulsory marketing scheme which would force them to get their dairy products from a common pool.

LAST July, when producer antagonism towards the B.C. Coast Vegetable Marketing Board was becoming acute and highly vocal, B.C. Minister of Agriculture MacDonald, who prior to his elevation to his present exalted position was a country dentist, promised that within three months potato growers would be given an opportunity of voting as to whether or not they desired a continuation of compulsory marketing. Nothing more was heard of the proposed plebiscite until December, when the Potato Board announced that it had sent out questionnaires to registered producers of potatoes to ascertain their views on marketing control and future policy of the Potato Board.

On January 10 the Board Secretary gleefully informed the Vancouver press that 272 registered potato-growers had voted in favor of controlled marketing and 117 against, while eleven forms were spoiled.

"We are very pleased with the result of the questionnaire" said the Board Secretary; but declined to state how many forms were originally sent out. "I do not think it is in the public interest to divulge that information—not for the present at any rate," he explained.

Actually there are estimated to be over 6,000 potato-growers on the lower Mainland and Vancouver Island. Of these 2,100 are registered and to each of the 2,100 was sent a questionnaire form; so actually the 272 growers who expressed themselves in favor of controlled—and it must be borne in mind the questionaire said controlled and not compulsory—marketing represented around 13% of the registered growers or about 4 1/2% of all the growers. The reason so many growers declined to commit themselves at all is doubtless because they feared that if they expressed themselves as being against the Board it would react against their chances of disposing of their potatoes, in view of the fact that growers are entirely dependent upon the favor of the Board when it comes to disposing of their crop.

The Board has not up to the time of writing given any information regarding how the gallant 400 who sent back the questionnaire responded to the second question which read: "Are you in favor of the present set-up?"

Last year thousands of B.C. potatoes rotted or were fed to stock while retail prices were unusually high and the spread between producer and consumer prices was, in some instances, as great as 60 cents to \$2 a sack. This year the loss in unsold potatoes is expected to be even greater due to the fact that daily sales of potatoes in Vancouver dropped during January to one car a day compared with the normal average of three cars.

THE Board last September limited the sale of potatoes by growers to six tons an acre; later this was cut to three tons. A minimum margin of \$3 a ton was set between the wholesaler's buying price from the Board and selling price to the retailer. Wholesalers' returns are now so small that they are losing interest in the potato business; competition among retailers is so intensive, particularly with so many Orientals in the retail vegetable business, that potatoes are sold to consumers at a narrow price range over wholesale price; yet a representative of the B.C. Interior Vegetable Board recently attributed dropping sales of potatoes to the spread between laid-down price to the wholesaler and ultimate price to the consumer and in consequence brought down upon his head the wrath of the Secretary of the B.C. Retail Merchants' Association, who pointed out that practically ever since the inception of the Vegetable Marketing Board, the Retail Merchants' Association had urged that an advisory committee be set up, representative of both consumer and retailer, as it was felt that the consumer should have something to say in regard to what he considered a fair price that he should pay.

Producers are not only limited in the quantity of potatoes they can sell, and receive a set price for any potato which can pass a fairly low standard,

exemption of annuities and income settlements, should not be overlooked. The amendment provides that annuities, periodic payments, etc., arranged by a deceased person, in connection with his employment or otherwise, and paid to the wife or any dependent father, mother, brother, sister or child of such person on or after his death, to the extent \$1,200 per annum per person or \$2,400 per annum in all, shall be neither taxable nor included in arriving at the aggregate value of his estate. Thus Ontario has given an excellent lead in affording encouragement to employers and heads of families to provide for their dependents in such manner that they will never become a charge on the state.

consequently discouraging the production of a quality article which would bring a quality price; but they consider they are now receiving from the Board a price equivalent to, or slightly below, the cost of production.

In January potato-growers in the Courtenay district, Vancouver Island, expressed dissatisfaction with the way the Coast Marketing Board was neglecting the district as far as sales of potatoes were concerned. It was stated that there were twenty carloads of potatoes in the area, of which only two had been sold through the Board at that time, with the season well advanced. A few days later a despatch from Kamloops in the Interior of the Province contended that less than 5 per cent of the local potato crop had gone to market. Between 125 and 150 carloads were said to be in storage.

The truth of the matter would appear to be that the Potato Boards of both the coast and the interior are entirely unnecessary and unduly expensive cogs in an economic machine which has succeeded in complicating the potato situation in British Columbia to such an extent that the consumers are giving up buying potatoes and the producers will probably give up growing them in disgust and go on the dole instead.

A recent police court judgment in Vancouver may serve to give the Coast Potato Board a slight headache and necessitate more government maneuvering to legally bolster up the compulsionists.

Magistrate Fillmore dismissed a charge against a truck driver of transporting six sacks of potatoes without the Board's written authority and upheld the argument of T. G. Norris, K.C., that the scheme under which the Board operated permitted it to prohibit transportation of certain grades of potatoes, but did not give it the right to regulate.

A HEALTHY sign that independent vegetable handlers, like Independent Milk handlers, are getting tired of being regimented and are beginning to take the battle to the Boards, was provided when Mr. Norris was recently successful in a case between the Kamloops Products Co. Ltd. and the Interior Vegetable Marketing Board, when it was ruled that the three members of the Board had to be personally responsible for any damage resulting to cars of produce which were being held by the Board. Due to the failure of the Board to pay costs it is reported that the sheriff recently seized chattels from Board quarters.

Mr. Norris has proceeded further and has entered suit in the Supreme Court on behalf of Kamloops Produce Co. against the Interior Board under Section 498 of the criminal code charging the Board and its agent with unlawful conspiracy. This action is an aftermath of an injunction action recently heard in which Kamloops Produce Co. was enjoined from marketing vegetables other than through Interior Vegetable Marketing Agency. Mr. Norris' argument is that

(Continued on Page 24)



M. B. FARR, General Manager, The Saskatchewan Life Insurance Company, whose report for 1937 showed new insurance on settled for basis of \$1,507,828 and insurance in force of \$9,044,512.

"Good Old British"

The expression frequently used in reference to the solid and reliable British Institutions is "good, old British." That expression very appropriately applies to this "good, old British" Insurance Company.

BRITISH TRADERS INSURANCE COMPANY, LTD.

TOTAL ASSETS EXCEED \$30 MILLION

SURPLUS IN CANADA, \$3,561,550.21

Head Office for Canada—Toronto

COLIN E. SWORD, Manager for Canada

Only "MUTUAL" FIRE INSURANCE PAYS DIVIDENDS

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This Company's strictly "mutual" operations enable it to distribute liberal annual dividends to all policyholders, while affording them the highest form of fire protection, supervision and safety.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

Non-assessable Policies Assets \$6,000,000.

THE GENERAL ACCIDENT ASSURANCE COMPANY OF CANADA

and SCOTTISH CANADIAN ASSURANCE CORPORATION

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GENERAL

Accident Fire and Life Assurance Corporation Limited
357 BAY ST. - TORONTO

Observe Traffic Lights

Don't be a "RED" BEATER or a "GREEN" CREEPER

RED means STOP
GREEN means GO

The Equitable Life Reports Its Best Year

Balance Sheet, December 31, 1937

ASSETS	
Real Estate:	
Office Premises	\$102,500.00
Other (Held for Sale)	343,550.57
	\$ 446,050.57
Mortgages on Real Estate	4,550,372.03
Agreements for Sale	111,920.45
Loans on Collateral	10,033.44
Loans on Policies	1,629,935.89
Bonds and Debentures	3,659,472.84
Stocks	148,147.50
Cash on Hand and in Banks	98,483.27
Interest Due	68,516.70
Interest Accrued	136,928.62
Premiums Due and Deferred (Net)	189,007.12
Payments Due from Other Companies	1,210.77
TOTAL ASSETS	\$11,050,079.20
LIABILITIES	
Policy and Annuity Reserves	\$9,725,172.00
Provision for Unpaid and Unreported Claims	70,750.48
Amounts Left with Company at Interest	101,745.70
Premiums Paid in Advance	30,158.70
Interest Paid in Advance	11,701.21
Agents' Credit Balances	515.61
Taxes, Expenses and Accounts, Due and Accrued	31,157.79
Other Liabilities	1,361.18
Dividends Allotted to Policyholders	346.70
Investment Reserves	320,073.95
Capital Paid In	327,793.12
Surplus	429,302.76
TOTAL LIABILITIES	\$11,050,079.20

Assets increased by \$643,890... and Policy Reserves by \$585,085... Insurance in Force increased to \$41,249,616... Assets conservatively valued and Surplus, Investment and other Reserves increased.



THE PREMIER TRUST COMPANY

St. Catharines

TORONTO

London

COMPARATIVE FIGURES

	December 31, 1930	December 31, 1937	Percentage Increase
Capital Assets	\$ 213,365.00	\$ 1,345,756.00	630%
Guaranteed Trust Assets	159,173.00	2,953,666.00	1855%
Estates Assets	1,726,162.00	11,554,281.00	669%
Total Assets Under Administration	2,098,700.00	15,853,702.00	755%

Copy of Annual Report Mailed on Request

COMPANY REPORTS

SUN LIFE OF CANADA

THE Sun Life of Canada—the Dominion's largest life insurance company—issued over two hundred and fifty million dollars of new paid-for life assurance during 1937, thirty millions more than in 1936. The total assurances in force held by more than a million policyholders now exceed two billion eight hundred and ninety million dollars, an increase during the year of one hundred and twenty millions. Marked increases in both new business and assurances in force were recorded in Canada, United States and Great Britain. The assets of the company were increased by more than fifty-three million dollars during 1937, bringing the present total to more than eight hundred and thirty-one million dollars, the highest in the history of the company.

The financial report of the company is impressive. An analysis of the statement reveals strength in its reserves, which have again been further strengthened from the surplus earnings of the year, a wise conservative policy which, together with the writing down of values at which the assets are carried, will be of benefit

to policyholders. During the year over five million dollars in profits were realized from the redemption or sale of ledger assets. Government and other bonds were increased during the year by over fifty-nine million dollars, bringing the total in this class of investment to three hundred and sixty-nine million dollars, an amount representing 44% of the total assets. Despite the writing down and expansion of reserves the surplus and contingency reserve of the company remain at something like thirty million dollars. The investment income increased substantially during 1937 to a total of thirty-two million dollars, while for the third successive year the average rate of interest on all investments shows improvement. The total income from all sources exceeds one hundred and sixty millions and the excess of income over disbursements amounts to fifty-nine million dollars. The total payments to policyholders and beneficiaries during 1937 exceeded seventy-six million dollars, bringing the total payments under this heading since the company began business in 1871 to well over one billion one hundred million dollars.

Arthur B. Wood, President and Managing Director, reviewed the financial statement at some length, emphasizing the purpose of life insurance whereby millions of policyholders are enabled to provide financial security for their dependents. He stressed that life insurance is not a profit-making undertaking, but rather a profit-sharing enterprise founded on co-operative principles. In fact, it is the greatest co-operative enterprise in the world. In the course of his remarks he lauded the Canadian government for its determination to maintain the Dominion's credit and he expressed the belief that the appointment of the Rowell Commission was a practical step towards solution of some of Canada's most pressing financial problems. Mr. Wood, continuing, reviewed briefly the economic conditions as they affected the business of life insurance in the various countries in which the company operates.

PREMIER TRUST

PREMIER TRUST COMPANY had net revenue of \$83,489 in 1937 and, after deducting income tax provisions, and write-off of \$12,000 on premises, net profit was \$62,489, equal to 5.29 per cent. on paid in capital of \$1,181,093. In 1936 the company had net profit of 4.06 per cent. on paid in capital of \$652,977. Dividends at the rate of 5 per cent. were continued during 1937 and surplus carried forward was increased to \$12,257.

The balance sheet reflects acquisition of Security Loan & Savings Company of St. Catharines early in 1937 and is not directly comparable with statement at the end of 1936. Total assets are up to \$15,853,702 from \$14,063,839. Estates accounts shows little increase at \$11,554,281 but guaranteed trust account is up to \$2,953,665 from \$1,773,585 while capital account is up to \$1,845,756 from \$754,358.

In guaranteed trust account, deposits are up to \$1,208,739 from \$872,536 and guaranteed investment certificates are up to \$1,162,314 from \$901,049 while outstanding debentures of Security Loan & Savings are shown at \$582,613. Cash, bonds and loans on stocks and bonds in guaranteed trust account assets total \$1,094,709 or 90.5 per cent. of deposit liabilities. Investments in mortgages are shown at \$1,783,650.

In capital account cash is lower at \$16,470 while loans on stocks and bonds are down to \$37,094 from \$124,241 while investment in bonds, stocks and annuities is up to \$115,357 from \$30,557 and investment in mortgages is up to \$544,723 from \$298,579. Real estate held for sale is up to \$216,507 from \$6,836 while premises are up to \$252,928 from \$194,996. Paid in capital has been increased to \$1,181,093 from \$652,977 and investment reserve of \$125,000 replaces three reserve funds totalling \$85,000 which was shown at the end of 1936.

TRUSTS AND GUARANTEE

AN INCREASE of \$27,890, in surplus account for the year ending December 31, 1937, is revealed in the forty-first annual statement of the Trusts and Guarantee Company, Limited released to shareholders by James J. Warren, President.

After providing for all costs, operations for 1937 returned a net profit of \$93,460. Added to \$155,076 surplus brought forward from the previous year, this makes a total of \$248,536.46 at the credit of the profit and loss account. Of this amount the two regular semi-annual dividends absorbed \$50,965, while \$14,603 was paid in taxes to federal and provincial governments, leaving a balance of \$182,966 to be carried forward into 1938, an increase in surplus of \$27,890.

A feature of the report is the reduction of \$126,468 in real estate held for sale. This reflects a betterment in the mortgage situation due principally to the improved real estate and general business conditions.

Capital account increased during the year from \$2,733,936 to \$2,765,937. Mortgages with interest were \$73,609 higher at \$587,047 while real estate held for sale decreased. Loans on stocks and bonds were slightly higher at \$215,499.81 as against \$215,343.80. Advances to estates, trusts and agencies increased from \$49,731.76 to \$60,040. Total bond and debenture holdings were higher at \$627,949 compared with \$622,811 in 1936, the increase being made up of provincial and municipal bonds. Stocks were \$234,446 as against \$238,875 the year previous. Cash on hand and in banks stood at \$143,982, practically the same as a year ago. Other assets were down slightly at \$221,981 compared to \$239,854.

Guaranteed account increased to \$10,050,172 from \$10,014,233 the pre-

vious year. Mortgages and interest were \$6,971,609. Loans on bonds under this account stood at \$7,018,719. In the 1936 statement guaranteed account mortgages and interest were lower at \$212,320 as against \$260,808 at the close of 1936. Bond holdings increased from \$2,128,795 to \$2,176,746. Cash on hand and in chartered banks is substantially higher at \$336,325 as compared to \$253,384 in 1936.

Liquid assets held against withdrawable deposits were increased during the year to 73.84%.

EQUITABLE LIFE

PRESIDING at the annual meeting of the Equitable Life Insurance Company at Waterloo last Monday, the president, Hon. J. L. Ralston, K.C., reported gains in insurance written and in force, an excellent increase in assets, additional strengthening of reserves, and a peak position in the history of the company.

Assets conservatively valued showed an increase of \$643,890 to \$11,050,079, after providing reserves for mortgages and interest. Policy and annuity reserves increased by \$585,085 to \$9,725,172. This increase included \$49,432 to strengthen the reserves further above minimum government requirements.

The investment reserves were increased to \$320,073. Of this amount \$68,710 is held as a 20 per cent. reserve

against the book value of real estate held for sale, and the balance of \$245,763 is held for contingency purposes. Surplus was increased to \$23,302. Investment income at \$564,460 was the highest in the company's experience. Total income was \$1,776,346 and the excess of income over disbursements \$764,953. The company earned 4.7 per cent. on net ledger assets.

Payments to policyholders, beneficiaries and annuitants totalled \$639,005, bringing payments since the company began business to \$7,179,045. The rate of mortality was reduced from 49.2 per cent. in 1936 to 45.2 per cent. for 1937. Surrender values paid decreased by \$35,454. During the year placed new business, not including annuities, gained 13 per cent. over that of 1936, and insurance in force was increased to \$41,249,616.

VICTORIA TRUST

VICTORIA Trust & Saving Co. reports net earnings for the year 1937 of \$54,665 in the annual report presented at the annual meeting. Dividends of \$48,600 and \$4,500 reserved for Federal income taxes, leaving a surplus for the year of \$1,563. Total surplus was \$17,264, president William Flavell stated.

"We are again able to record a large increase in both branches of our business. As we have fully conformed to the government debt ad-

(Continued on Next Page)



W. G. WATSON, Director and General Manager of The Toronto General Trusts, who reviewed the business of the Corporation and the results achieved in 1937 at the 56th Annual Meeting held on February 2nd. Profits were well maintained.

BUY NOW

New Company Planned For

GALLOWAY GORDON LAKE

Summary of Engineer's Report

ORE BODY

One vein approximately twenty feet wide with free gold showings. This vein has been traced for a length of 1,500 feet.

VALUES

Five grab samples taken from this vein by our engineer, Mr. A. L. Schneider, M.E., gave an average assay of \$193.48 per ton after the elimination of all visible gold.

LOCATION

Most important of all perhaps is our Engineer's expressed opinion that this vein is the same vein passing through the Cam-Laren Group of Mining Corporation where values run from \$70 to \$700 per ton and where shaft sinking is now in progress.

Authorized Capital - - - - 35,000 share units
Issued (Vendors) - - - - 11,666 share units

BUY NOW AT \$1.00 PER SHARE UNIT

giving you 20 shares in the New Company for each Share Unit you hold, which means your stock would have cost you only 5c per share.

TAKE ADVANTAGE OF THIS PRESENT LOW PRICE

GALLOWAY GORDON LAKE

(N.W.T.) MINING SYNDICATE LTD.

36 TORONTO ST. ADEL 3803 TORONTO

GALLOWAY GORDON LAKE (N.W.T.) MINING SYND. LTD.,
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Please enter my order for _____ Share-Units of GALLOWAY GORDON LAKE (N.W.T.) MINING SYNDICATE LTD. (No Personal Liability) at \$1.00 per share-unit.

I enclose \$ _____
Please send me further information.

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TWENTY-FIFTH ANNUAL REPORT OF

The Waterloo Trust and Savings Company

ASSETS AND LIABILITIES

December 31st, 1937

ASSETS		LIABILITIES	
CAPITAL ACCOUNT		CAPITAL ACCOUNT	
Office Premises, Waterloo and Kitchener, including Safe Deposit Vault, etc., and Fixtures, Galt, and Preston	204,000.00	Capital (Paid-up)	\$1,000,000.00
Other Real Estate	305,155.01	General Reserve	200,000.00
Mortgages	1,125,803.25	Investment Reserve	200,000.00
Interest due and accrued	3,261.64	Dividend declared (Paid Jan. 2nd, 1938)	25,000.00
Loans on Securities (including \$27,910.54 against Company's own stock)	129,154.89	Provision for Government Taxes	21,145.78
Advances to Estate under administration	189,326.05	Profit and Loss	17,339.57
Dominion and Provincial Government Bonds	131,786.41		
Canadian Municipal Bonds	18,020.97		
Other Bonds and Debentures	179,992.04		
Stocks	7,322.88		
Other Assets	337,122.30		
Advances to Estate under administration	75,907.01		
Div from Guaranteed Trust Account	10,565.92		
Account	150,000.00		
Cash on hand and in banks	34,992.88		
	\$1,463,385.35		\$1,463,385.35
GUARANTEED TRUST ACCOUNT		GUARANTEED TRUST ACCOUNT	
Mortgages (including Agreements for Sale \$155,308.28 covering mortgaged properties sold)	5,769,362.38	General Guaranteed Investment	2,965,113.57
Interest due and accrued	376,781.32	Trust Deposits	2,296,530.71
Dominion and Provincial Gov't. Bonds	1,292,087.21	Advances from Capital Funds	150,000.00
Dominion and Provincial Gov't. Guar. Bonds	370,164.42		
Canadian Municipal Bonds	1,527,279.22		
Other Bonds and Debentures	538,678.33		
Stocks and accrued dividends	3,718,209.18		
Demand loans against securities	214,751.20		
Cash on hand and in banks	375,559.79		
	\$10,261,944.28		\$10,261,944.28
ESTATES, TRUST AND AGENCY ACCOUNT		ESTATES, TRUST AND AGENCY ACCOUNT	
Mortgages	533,094.51	Trust Funds for Investment	1,546,774.55
Bonds	665,247.45	Advances from Capital Funds	30,565.92
Steady Trust Investments	190,009.44	Inventory value of unrealized Estate Assets	2,485,059.19
Cash on hand and in banks	188,649.07		
Inventory value of unrealized Estate Assets	3,485,059.19		
	\$5,062,399.66		\$5,062,399.66
Total	\$16,787,729.29	Total	\$16,787,729.29

FORD S. KUMPF, President.

P. V. WILSON, Managing Director.

DIRECTORS

President FORD S. KUMPF, Waterloo		Vice-Presidents	
LOUIS L. LANG Galt	HENRY KNELL Kitchener	GEORGE A. DOBBIE Galt	HON. W. D. EULER Kitchener
W. L. HILLIARD, M.D. Waterloo	F. R. HILBORN Preston	ALLAN HOLMES Galt	WM. HENDERSON, Sr. Waterloo
J. E. F. SEAGRAM Waterloo	R. O. McCULLOCH Galt	H. J. SIMS, K.C. Kitchener	P. V. WILSON Managing-Director
OFFICES		OFFICES	
Waterloo	Kitchener	Galt	Preston

GORDON FARRELL, prominent in British Columbia business circles, who was elected a Director of the Canadian Bank of Commerce at its Annual Meeting. He is associated with many activities in the West, being President of the British Columbia Telephone Company Limited and a member of the Board of Evans, Coleman & Gilley Bros. Company Limited, British Columbia Packers Company Limited, Union Steamships Company Limited, McLennan, McFeely & Prior (of which he is also Vice-President) and Associated Telephone & Telegraph Company Limited.

UNITED DISTILLERS OF CANADA LIMITED

AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 1937

ASSETS

FIXED ASSETS:	
Valued at cost with the exception of certain properties, which are carried at depreciated replacement value of \$81,595.46, as determined by the General Appraisal Company Limited at July 30, 1936—	
Land	\$ 491,648.54
Buildings	630,593.10
Plant Machinery, Equipment, Automobiles, etc.	\$1,122,241.64
Less—Reserve for Depreciation	598,301.73
New Distillery, Baltimore	523,939.91
(Estimated cost of completing project, \$105,000.00)	148,205.63
Goodwill, Licenses, etc., including the excess of cost of certain assets over the net book value thereof at the date of acquisition	81,920.55
Trade Marks less amount written off	2.00
	\$ 805,039.17
INVESTMENTS AT COST:	10,750.00
OTHER ASSETS:	
Inventories of Stocks on hand, on consignment and in transit, valued on the basis of estimated cost or market, whichever is the lower, as determined and certified to by responsible officials of the Companies—	
Bulk and Bottled Whiskies and Beer (including approximately 30,000 U.S. Proof Gallons of Whisky held against future Sales Contracts)	\$ 800,276.54
Barrels	62,394.00
Materials and Supplies	89,973.44
	\$ 952,643.98
Sundry Debtors—	
Trade	\$398,206.73
Advances to Salesmen, etc.	15,040.31
Less—Reserve for Doubtful Accounts	\$411,250.04
	12,138.46
Cash at Bank and on Hand	399,111.58
	34,539.20
DEFERRED CHARGES:	
Organization Expenses of American Companies less amounts written off	20,185.00
Insurance Unexpired and Prepaid Expenses	21,046.91
	41,231.91
	\$2,243,315.84

LIABILITIES

SHARE CAPITAL AND EARNED SURPLUS:	
Share Capital—	
Represented by 722,565 Shares without nominal or par value, being a total of 770,006 Shares issued less 47,441 held by a Subsidiary, part of an authorized issue of 1,000,000 Shares—	\$1,838,904.17
Less—Reduction in accordance with Supplementary Letters Patent dated February 13, 1937	226,640.95
	\$1,612,263.22
Earned Surplus per statement attached	38,719.69
Capital Surplus arising from the acquisition by a Subsidiary Company of Shares of the parent Company at a cost less than the average stated value	\$1,650,982.91
DEFERRED LIABILITIES:	
Treasury Department of the United States of America, payable in monthly instalments to May 15, 1938	\$ 84,141.58
Purchase contract obligations relating to The Princeton Brewing Co. Ltd., payable in instalments to April, 1941	93,998.42
CURRENT LIABILITIES:	
Bank Loans and Overdraft (secured)	\$ 182,758.37
Sundry Creditors, including Accruals	91,588.77
Reserve for Income and Other Taxes	81,444.85
CONTINGENT LIABILITIES:	
Trade Paper under Discount	\$62,637.88
	\$2,243,315.84

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

Deficit as at September 30, 1936	\$ 159,477.09
Deduct—	
Adjustment—Income Taxes re prior years	35,119.32
Adjusted Deficit as at September 30, 1936	\$ 124,357.77
Profit for the year ended September 30, 1937, before providing for the undistributed items	\$ 483,962.88
Deduct—	
Executive Salaries (all Companies)	\$43,500.00
Directors' Fees	375.00
Legal Fees	8,064.83
Amount written off of value of Whisky	17,332.20
Amount written off Organization Expenses of American Companies	8,074.00
Bad Debts	8,861.32
Depreciation	50,771.19
Interest	11,820.78
	148,799.32
Profit before providing for Income Taxes	\$ 335,163.56
Deduct—	
Provision for Dominion and Provincial Income Taxes	98,500.00
Net Profit for the year ended September 30, 1937	236,663.56
Deduct—	
Dividend paid	\$ 112,305.79
Balance being Consolidated Earned Surplus as at September 30, 1937, Balance Sheet	73,586.10
Note—Additional Depreciation amounting to \$1,216.26 is included in Manufacturing costs	\$ 38,719.69
APPROVED ON BEHALF OF THE BOARD:	
N. BELL, Director	
A. L. McLENNAN, Director	

AUDITORS' REPORT TO SHAREHOLDERS

To the Shareholders,
United Distillers of Canada Limited;
We have made an examination of the Books and Accounts of United Distillers of Canada Limited and its Subsidiary Companies as at September 30, 1937, with the exception of those of the California Branch of U. D. L. (of America) Inc., for which audited statements have been accepted. In connection therewith and explanations which we required, we also made a general review of the accounting methods and of the operating and income accounts for the year.

In our opinion, based upon such examination, the accompanying Consolidated Balance Sheet and related Statement of Profit and Loss and Earned Surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the United Distillers of Canada Limited and its Subsidiary Companies as at September 30, 1937, and the results of their operations for the year ended on the date, according to the best of our information and the explanations given to us and as shown by the books of the Companies, Vancouver, B.C., December 29, 1937.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

(Continued from Page 22)
justment plan covering western mortgages, our net earnings show a reduction, but as these mortgages constitute only a minor part of our investments we are able to provide for all our charges and our dividend by a comfortable margin.

The estates department showed an increase in estates under administration of \$354,000.

CHARTERED TRUST

FURTHER progress is revealed in the balance sheet for 1937 of the Chartered Trust and Executor Company, as presented at the annual meeting held in Toronto last week. The balance sheet shows company net profits at \$125,881—a satisfactory increase over the previous year. Out of this, dividends amounting to \$40,000 are paid. A further sum of \$28,454 is written off office premises and furniture and fixtures, while provision for Dominion and Provincial taxes is \$36,000.

The balance at the credit of profit and loss is \$154,478, which is an increase over 1936. General statistics also show an increase in the trusts, estate and agency departments, which now totals \$21,959,768. The company

has liquid assets to the amounts of 115.92 per cent. of \$2,717,341 trust deposits.

Three new directors were appointed: John H. Chipman, Gordon C. Leitch and H. Maitland MacIntosh, K.C.

John H. Chipman is vice-president and director of the Brown Brothers Limited, in addition to his new directorship. Gordon C. Leitch is president of Toronto Elevators Limited. J. Maitland MacIntosh, K.C., is a director of MacLeod Cockshutt Mines, among other mining companies and he is also a director of The Globe Printing Company.

GREAT-WEST LIFE

THE Great-West Life Assurance Co. made excellent progress during 1937. The sales records reveal an increase of more than three million dollars in new business, and a gain of approximately fourteen millions of business in force. This advance is symptomatic of trends throughout the country. The insurances and annuities in force now total almost five hundred and ninety million dollars, as compared with five hundred

and seventy-six millions for the preceding year.

The assets increased by nearly seven million and now amount to \$156,805,465.89, diversified as follows: Bonds and debentures, 49.4%; city mortgages and properties, 17.0%; farm mortgages and properties, 13.8%; policy loans; stocks (common and preferred), 1.2%; cash and miscellaneous, 2.0%. The average equity of policy-holders in the company approximates six hundred dollars.

The Great-West decided that available funds which might be used to increase the surplus could with greater wisdom be employed in writing down assets to a conservative basis. The surplus now stands at \$2,449,367.22, compared to \$2,438,935 for 1936. Payments totalling \$15,269,831 have been made to policy-holders and beneficiaries.

President Allan points out that it is important that the public, as well as our legislators, bear in mind that bond-holders are to a large extent the same people as the policy-holders of life insurance companies. Confusion of thought on this point has resulted, and may again result, in unjustifiable losses to people who can ill afford them.

WATERLOO TRUST

THE Waterloo Trust and Savings Company of Waterloo, Ontario, reports a net profit equal to \$10.50 a share for 1937. This compares with \$9.99 the previous year. Dividends of \$5 a share were paid and after allowing \$50,990 for contingencies and special reserves, and \$3,000 for write-off of equipment, a balance of \$17,240 was carried forward.

In the guaranteed trust account all classes of liquid assets showed increases over last year. The company handled an increased amount of estate business. Total assets as at Dec. 31, 1937, amounted to nearly \$16.8 millions, as against \$15.9 millions at the end of the previous year.

	1937	1936
Guaranteed receipts	3,905,114	3,870,441
Deposits	6,206,831	5,649,025
Total	10,111,945	9,519,466
Secured by:		
Liquid assets	4,225,599	3,861,808
Mortgages, etc. & Int.	5,886,346	5,657,658
Other net assets	1,417,239	1,416,158
Total	11,529,184	10,935,624
Estates, etc.	5,062,400	4,806,993

TORONTO GENERAL TRUSTS

NET profits of Toronto General Trusts Corporation were well maintained in 1937, amounting to \$281,065 against \$279,784 for 1936. From these profits the directors paid four quarterly dividends of 4 per cent., amounting to \$120,000, provided for federal, provincial and business taxes \$50,000, wrote \$50,000 off office premises and increased the balance forward by \$61,065 to a total of \$267,542. Assets under administration, including the estates and trusts section, totalled \$237,501,877 at the close of the year, while the company's own capital assets were increased during the year by \$67,031 to a total of \$4,849,626.

Addresses at the 56th annual meeting of the company's shareholders included interesting reviews of business conditions by Thomas Bradshaw, President, Hon. Charles McCrea, K.C., Vice-President, and W. G. Watson, General Manager. "Disproportionate taxes, contributing to cause a serious lag in the revival of the construction industry, and consequent unemployment of those who would normally find work in this activity, are part of a vicious circle which should find means of adjustment," said Mr. Bradshaw. If the heavy charges which taxpayers are bearing for public relief could be lessened by increased employment through more rapid recovery in construction, this in turn as it improves would broaden assessment, the base of taxation, which would automatically relieve our taxation problem to an important extent. But to bring about betterment in construction, capital must be encouraged to offer its services freely, whereas at the present time in certain of our Provinces it is actually discouraged by existing moratorium and debt legislation. It is believed that we have moved along the path of recovery sufficiently to justify our legislatures in giving careful consideration to a plan which would gradually, say during the next two or three years, remove all mortgage debt restrictions. With an ample supply of cheap money now available, it is believed that if this were done we would experience not only a very notable revival of home, business and industrial building, but also an automatic and substantial reduction in unemployment, followed by a decrease of public relief expenditure, which naturally would lead to an easing of our taxation problem.



R. O. McCULLOCH, President of the Mutual Life Assurance Company of Canada, who, together with W. H. Somerville, General Manager, presented interesting reviews of the company's progress and general business conditions at the annual meeting of shareholders.

—Photo by "Who's Who in Canada."

ness conditions by Thomas Bradshaw, President, Hon. Charles McCrea, K.C., Vice-President, and W. G. Watson, General Manager. "Disproportionate taxes, contributing to cause a serious lag in the revival of the construction industry, and consequent unemployment of those who would normally find work in this activity, are part of a vicious circle which should find means of adjustment," said Mr. Bradshaw. If the heavy charges which taxpayers are bearing for public relief could be lessened by increased employment through more rapid recovery in construction, this in turn as it improves would broaden assessment, the base of taxation, which would automatically relieve our taxation problem to an important extent. But to bring about betterment in construction, capital must be encouraged to offer its services freely, whereas at the present time in certain of our Provinces it is actually discouraged by existing moratorium and debt legislation. It is believed that we have moved along the path of recovery sufficiently to justify our legislatures in giving careful consideration to a plan which would gradually, say during the next two or three years, remove all mortgage debt restrictions. With an ample supply of cheap money now available, it is believed that if this were done we would experience not only a very notable revival of home, business and industrial building, but also an automatic and substantial reduction in unemployment, followed by a decrease of public relief expenditure, which naturally would lead to an easing of our taxation problem.

BUSINESS AND MARKET FORECAST

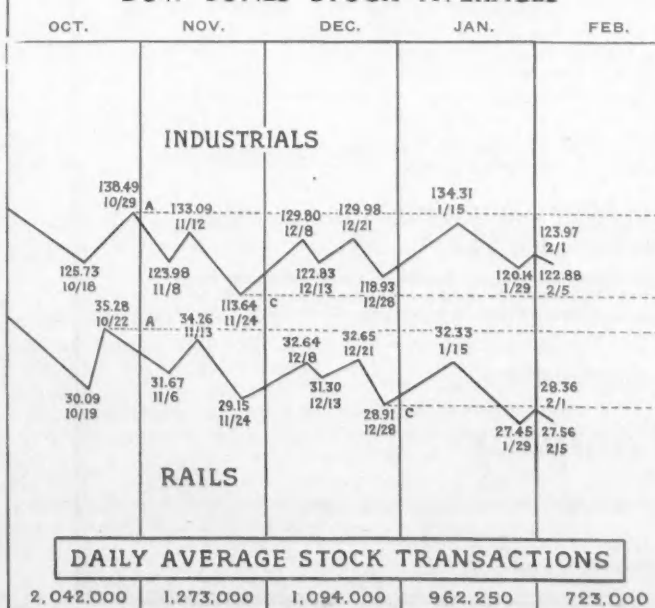
(Continued from Page 17)

downside penetration, however, would not carry an equal significance to the April 7, 1937, or the September 7, 1937, downside penetrations. The April penetration confirmed the intermediate trend as downward following ten months of intermediate advance, whereas the September penetration signalled a full correction of the major advance of the past several years. Inasmuch as there has been no rally of corrective proportions since the September 1937 down signal was given, another downward penetration here would merely reconfirm a trend that has already travelled a considerable distance. Should such a downward penetration now be witnessed, it might turn out to be very much like the upward penetration early in 1937, when the averages registered only a minor further run in the direction of the signal, said minor up-move serving merely to polish off an intermediate rise of ten months' duration.

As we have pointed out on occasions of both strength and weakness over the past three months, or during the course of the line, until upper or lower limits are decisively broken, direction of the intermediate trend is indeterminate. However, knowledge that lines which develop after a considerable price correction are usually lines of accumulation rather than of distribution may at least be a straw showing the direction of the wind. Each of the three major advances of the bull market starting in 1932 developed out of important line formations.

Awaiting final word of the averages, two minor considerations might be mentioned. One is that important up-movements have sometimes developed out of a series of advancing tops in the industrial average, declining tops in the rails (Dec. 8, 21, Jan. 10—see chart). The second and more important is the fact that if the two averages could now move decisively above the rally tops of February 1, as would be disclosed by closes in both at 29.37 and 124.98, respectively, they will have plotted an upward zig-zag formation, thereby signalling a forward move that could easily carry to the top of the line, and possibly materially further.

DOW JONES STOCK AVERAGES



For real smoking pleasure

HERBERT TAREYTON
SMOKING MIXTURE
PACKAGES 25¢ - HALF LB. TINS \$1.50

THE WESTERN SAVINGS AND LOAN ASSOCIATION

HEAD OFFICE, WINNIPEG, MANITOBA

AGENCY BUILDING 221A-8TH AVE. W. McALLUM-HILL BUILDING 411 AVENUE BUILDING

OFFICES: EDMONTON, ALTA. CALGARY, ALTA. REGINA, SASK. SASKATOON, SASK.

CHARTERED TRUST and EXECUTOR COMPANY

PROFIT AND LOSS ACCOUNT

For the Year Ended December 31, 1937

Balance forward from previous year	\$138,206.16
Net Profit for year after deducting cost of Management, Directors' and Auditors' fees, provision for investment reserve, and all other expenses including Municipal Taxes	125,881.88
Appropriated as Follows:	\$264,088.04
Amount paid on account of Goodwill and Interest of Business acquired by Montreal Branch	5,155.20
Provision for Dominion and Provincial Taxes	36,000.00
Written off Office Premises and Furniture and Fixtures	28,454.23
Dividends	40,000.00
Carried forward	109,609.43
Total	\$154,478.61

Certified per report attached.

ARTHUR J. HARDY,
HARVEY A. LEVER, C.A., Auditors.

BALANCE SHEET, DECEMBER 31, 1937

Assets	
Capital Account:	
Capital Paid Up	\$ 290,640.54
Surplus	25,312.31
Real Estate held for Sale	71,513.67
Mortgages—Principal	134,081.16
Interest Due and Accrued	2,116.73
Loans on Collateral Securities	179,113.24
Bonds and Debentures	52,328.87
Dominion of Canada and Province of Ontario	131,659.37
Canadian Municipalities and School Districts	162,196.25
Corporations	2,767.08
Interest Accrued	47,976.73
Stocks	89,139.34
Cash on Hand and in Banks	106,391.13
Advances to Trusts, Estates and Agencies	7,074.45
Accounts Receivable and Deferred Commissions	8,273.07
Office Furniture and Fittings	5,848.19
Other Assets	
Guaranteed Trust Account:	\$ 1,317,232.13
Mortgages	\$ 779,608.98
Interest Due and Accrued	16,922.67
Bonds and Debentures	
Dominion of Canada and Province of Ontario	877,775.23
Other Provinces and British Dominions	266,739.25
Canadian Municipalities and School Districts	809,494.40
Corporations	15,000.00
Interest Accrued	20,688.28
Loans on Collateral Securities	361,582.33
Cash on Hand and in Bank	397,503.73
Estates, Trusts and Agencies Account:	3,545,314.87
Cash, Securities and Other Properties held for Estates, Trusts and Agencies	21,131,794.28
Total	\$25,994,341.28
Liabilities	
Capital Account:	
Capital Subscribed and Fully Paid	\$ 1,000,000.00
Reserve	100,000.00
Dividend No. 76, payable January 3, 1938	10,000.00
Accounts Payable and Accrued Items	9,123.24
Fees, Rents and other items paid in advance	8,477.60
Reserve for Dominion and Provincial Taxes	35,152.68
Balance at Credit of Profit and Loss	154,478.61
Guaranteed Trust Account:	\$ 1,317,232.13
Trust Deposits	\$ 2,717,341.13
Trust Funds for Investment	827,973.74
Estates, Trusts and Agencies Account:	3,545,314.87
Estates, Trusts and Agencies under Administration by the Company	21,025,403.15
Advances from Capital Account	106,391.13
Total	\$25,994,341.28

Approved on behalf of the Board: R. R. CORSON, President.
JOHN J. GIBSON, General Manager.

We have audited the books and accounts of Chartered Trust and Executor Company for the year ended December 31, 1937, and have verified the Cash, Bank Balances and Securities of the Company.

After due consideration, we have formed an independent opinion as to the position of the Company, and the explanations given to us, the above Balance Sheet together with the related statement of Profit and Loss, sets forth fairly and truly the state of the affairs of the Company at December 31, 1937, and the profits made for the year ended at that date, and is in accordance with its books. All transactions of the Company that have come within our notice have been within the powers of the Company.

ARTHUR J. HARDY,
HARVEY A. LEVER, C.A., Auditors.

BASE METALS

WITH growing demand, in the world market, Canada's exports of base metals showed marked gains during the past fiscal year. The Dominion is the world's leading source of nickel, providing 80 per cent. of the total

supply, and is a prominent source of supply as well for copper, lead and zinc. In aluminum Canada occupies an intermediate position, importing ore and exporting largely of the metallic product. The larger portion of the Dominion output of all five metals finds its markets in the export trade.

Mutual Life of Canada Reports Successful Year

At the 68th Annual Meeting held in Waterloo, Ontario, on February 3, Mr. W. H. Somerville, General Manager of the Mutual Life of Canada, analyzed the various types of assets.

With reference to the very pronounced improvement experienced during the year with respect to defaulted bonds, in that several situations were remedied, resulting in a resumption of interest and principal payments on accounts which had been non-productive for several years, he stated: "Furthermore, there was a definite decline in new defaults, due, no doubt, to improved economic conditions. Our Industrial list was free from new defaults during the year, and any new defaults which occurred in 1937 were mainly among Western cities and other Western municipalities.

It is desirable that a Life Insurance company should diversify its investments as widely as possible, and some greater diversity may be secured through moderate holdings of common stocks. Opportunities were presented during the past year of purchasing sound equities at yields which compared very favorably with those prevailing on securities of fixed rate and term, and our common stock holdings were accordingly increased during the year by \$1,352,091. Of this increase, \$774,182 was represented by purchases of American common stocks, practically all of which were bought in the latter half of the year during the extreme market decline. However, at the end of the year, common stocks constituted only 2.3% of our total Assets.



W. H. SOMERVILLE, A.I.A., A.A.S., General Manager of the Mutual Life of Canada, who reviewed the Company's statement at the Annual Meeting held in Waterloo.

Interest Rate on Mortgages

Interest income on mortgages, as a percentage of the principal invested, was 4.83% in 1937 as compared with 5.21% in 1936. The reduction in return reflected the lower rates of interest prevailing on new mortgage loans, and the lower rates at which old loans were renewed.

Because of the drought conditions, the interest payments on Saskatchewan farm loans were greatly reduced, although the reverse was the case in Manitoba where interest income in 1937 was about 150% of the 1936 figure.

Although the demand for mortgage loans was limited, the Company accepted new applications in 1937 for \$1,738,723.50, which was about three times the total of the new loans accepted in 1936, and of these, \$503,556 were loans granted under the Dominion Housing Act.

Of the interest due and accrued on invested assets, \$2,347,889.83, the sum of \$230,223.37 was interest due and outstanding; the balance being interest accrued but not due.

Our loans to policyholders, \$27,390,026.96, are \$267,869.02 less than at the end of 1936. The ledger balance of policy loans has diminished \$2,147,906.50 since the end of 1934.

Comparison of the book values of our security holdings with the market valuations furnished by the Department of Insurance indicate an excess of market values over book values of approximately \$5,800,000. Similarly, ample provision has been made for possible losses on our Mortgage, Sale Agreement, and Real Estate Accounts.

The Report of the Actuary has dealt with the valuation of Policy Liabilities, and the only remaining items among Liabilities upon which it may be desirable to comment are the Special Reserves and Surplus Funds.

Special Reserves and Surplus Funds

The Profit and Loss Account shows the allocation made of our Surplus Earnings for the year. After the disbursement of dividends to our policyholders, the Policy Reserve Adjustment Fund was increased to \$1,200,000; the Free Surplus for Contingencies was increased \$379,914.04 to \$5,214,736.42, and the General Investment Reserve remained at \$2,000,000, making the aggregate Surplus Funds \$8,414,736.42.

Among Special Reserves we have the Provision for Dividends Payable in 1938, \$3,500,000; Provision for Staff Pensions, \$755,386; and the two items of the Reserves for Deferred and Quinquennial Dividend Policies, the aggregate of the Special Reserves and Surplus Funds being increased \$803,702.64 to \$14,557,605.87.

The rate of interest earned on invested Assets, 4.78%, is only slightly lower than the 4.81% earned in 1936; the ratio of actual to expected mortality was 1.57% lower than in 1936; and the ratio of expenses to total income, 11.76% is also lower than the corresponding ratio of 11.82% for 1936. Our Surplus Earnings during the year of \$4,516,213.24 were slightly lower than in the preceding 12 months. In view of the Company's continued satisfactory mortality and expense ratios, this reduction in earnings can be attributed to the effect of the decreasing rate of interest available on new investments, as well as the lower rates at which existing investments have been renewed or refunded. The effect of a decreasing rate of interest on new investments is not immediately felt by a Life Insurance company having a large volume of existing investments in relation to its new investments; but when

low interest rates continue for some years, this influence is exerted with accumulative effect.

Additions to Reserves and Surplus Funds are continuously necessary to meet the unforeseen and unpredictable contingencies to which Life Insurance companies are subject, in mortality, interest returns, and investment losses, and it is gratifying that our Earnings were ample to provide these, and to meet the requirements of our dividend scale.

Insurance in Force Increases

A statement of the progress of our Insurance in Force over the years from 1900 to 1937, inclusive, coupled with our total net terminations in those years, indicates a consistent growth in Insurance in Force, and an interesting relationship in the different years in the percentage of the total net terminations to the Insurance in Force at the beginning of the year. In 1900 the total net terminations were 4.82% of the Insurance in Force at the beginning of the year. The percentage fluctuates, as might be expected, and two high points were reached: one in 1914 of 7.80%, and the other in 1934 of 7.83%. The low percentage of terminations to Insurance in Force occurred in 1919 when it was 4.25%, and the average of the 38 years was 5.86%. The 1937 ratio was 5.71%, which is the lowest this ratio has been since 1929. Our gain in Insurance in Force of \$12,500,000 reflects a favorable rate of net terminations; and I believe, too, that this favorable net termination rate has been an important factor in the economical operation of our Company. It is obvious that older companies, like our own, which have had a steady progress over a long period of years, must replace large amounts of business which terminate from non-preventable causes, such as death, maturity or expiry, in addition to the more or less preventable terminations by surrender and by lapses, and, therefore, unless conditions are unusual, they will not show the comparatively large gains in total Insurance in Force which is possible in younger companies with a high proportion of recently-effected business on their books. With approximately \$335,000,000 of Ordinary Insurance in Force, we cannot expect our net terminations to fall below \$31,000,000, so that at least \$31,000,000 of new business must be written before we can show any gain in Insurance in Force.

This condition emphasizes the necessity of having a widely distributed system of branch offices, not only to service existing business, but to stimulate sales, in order that a healthy and progressive growth may be maintained. With our business confined almost entirely to Canada, where the population has shown no marked increase for a number of years, and with unfavorable economic conditions in large sections where we have branches established, and where our normal quota of business is not at present being obtained, we have maintained our proportionate writing of the total Ordinary Life Insurance sold in Canada; and it may be noted that the aggregate amount of new business effected in Canada in 1937 was considerably lower than that placed in any of the years from 1925 to 1931. Undoubtedly there is a large body of people in this country without insurance, or under-insured, who would welcome the opportunity of taking new insurance did their circumstances permit; so that a considerable increase in total volume of insurance written in Canada, in which we would share, may be anticipated when this occurs.




Borrowers are ALWAYS WELCOME

Complete facilities for personal loans to individuals as well as loans for business purposes to farmers and manufacturing and mercantile firms are, and always have been, provided by the Bank of Montreal.

People in every walk of life take advantage of these facilities for obtaining funds for personal or business use. Applicants are invited to discuss their problems with the manager.

BANK OF MONTREAL

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MODERN, EXPERIENCED BANKING SERVICE
...the outcome of 120 years' successful operation



BANK with BARCLAYS

BARCLAYS BANK (CANADA)

214 ST. JAMES STREET MONTREAL 60 KING STREET WEST TORONTO

A MERE LAYMAN LOOKS AT SOCIAL INSURANCE

(Continued from Page 17)

"Insurance feature of the scheme. 'Insurance,' if the plan is to succeed, must not be considered only as something that will be paid out upon the happening of a contingency; on the contrary it must be understood that 'insurance' means a 'paying in' by or on behalf of a beneficiary before there can be a 'paying out.' The basic principles of the business of insurance, I found, apply in the case of social insurance with equal significance.

Pursuing this thought in "The Real Meaning of Social Insurance," the author defines the business of insurance as being "founded simply upon the co-operative association of a large number of persons (called, usually, the policyholders or beneficiaries), who agree to share amongst themselves the burdens resulting from the occurrence of a particular contingency, such as death or sickness, by the payment of the necessary contributions (otherwise called premiums) into a common fund, from which benefits, corresponding to the premiums so paid, are distributed in alleviation of the burdens against which the insurance is effected," and that "in order to commence the operation of an insurance plan, it is necessary first of all to obtain funds for the completion of the requisite organization."

I believe his further explanation that "all insurance, whether operated by governments or private organizations, is 'social' in the truest sense," coupled with the realization that under governmental operation "no such economic issue is involved as that encountered in proposals for the public ownership of other enterprises," summarizes the understanding which must come to Canadian citizens if any scheme of social insurance is to be successful.

IN THE preliminary chapter of "The Real Meaning of Social Insurance" I discovered the familiar words which had first incited my interest in the newspaper articles—"history," "scope," "benefits," "financial resources" (or contributions), "management." I am setting out below a catalogue of questions which must be discussed in the systematic consideration of social insurance, because they so clearly indicate the implications and ramifications of these various phases of such legislation: "Their History" (which need not be defined since it is self-explanatory. A careful perusal of the British and

German experiences seems essential, however, because it is upon the basic principles of those two schemes that most of the present-day legislation is being founded.) "Their scope (i.e., what branches of economic activity are covered, occasional and temporary employments, personal qualifications, non-wage-earners, territoriality, etc.); The Benefits (i.e., conditions of benefit, such as sickness and incapacity for work and proof thereof, minimum period of membership, waiting period, residential conditions, benefits at flat or variable rates, duration, reduction and increase of benefits; funeral benefits; benefits-in-kind, such as medical treatment, provision of drugs, hospital treatment and nursing and additional benefits; medical assistance to the insured persons' families; maternity insurance; organization of medical service, including the questions of the responsible bodies, the selection of medical practitioners, medical contracts, the remuneration of medical practitioners by fixed salary, fee per insured person, fee per case of sickness, or remuneration according to attendance; the medical equipment of insurance institutions, and the prevention of disease); the Financial Resources and their Management (i.e., the sources of funds, whether raised from the insured, employers, or the public authorities, and the raising of funds for insured persons with low wages, apprentices, voluntarily insured persons, and those for whom extra contributions are required, the system of balancing revenue and expenditure, including morbidity factors and tables, the duration of sickness, determination of the rate of contribution, and distribution systems and systems of individual capitalization and reserve funds, financial management, including measures to enforce the payment of contributions and the discharge of the obligation, the investment of the funds, the cost of administration, and financial and actuarial control)."

Appalling, is it not? And yet the above survey does not, by any means, include all the problems which confront the Government as it begins to set up the machinery to inaugurate and manage any part of a system of social insurance. The two actuarial reports mentioned previously (which may be obtained from the King's Printer, Ottawa) provide a very lucid analysis of the foregoing outline, and should be studied carefully by any one interested in acquiring a fuller conception of the scope and powers of

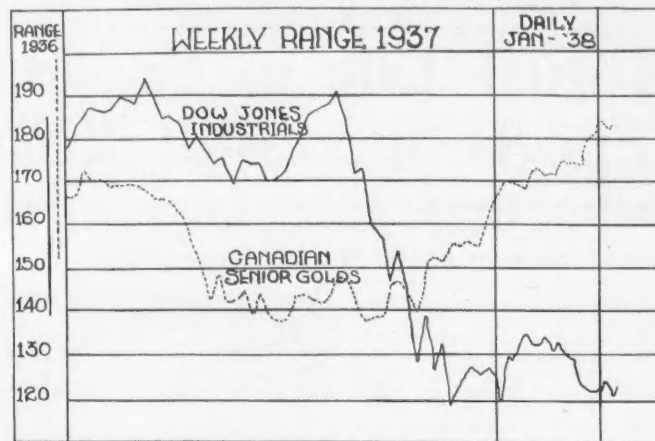
Social Insurance.

I admit that after I had surveyed the work entailed in the formulation of social legislation, I stopped again to consider what my attitude had been; and frankly confess that, like most people, I had expected the officials who comprise the government to be fully advised on the subject, and to formulate legislation that would meet every emergency which might arise; and was (a regrettable human trait) openly critical of any hint of its failure to do so. I am still willing to leave the matter in the hands of those whom we have appointed as our leaders; but I recognize the fact that any scheme, however sane, cannot succeed unless government has the enlightened and sympathetic understanding of those who come within its jurisdiction. The words of Mr. G. K. Chesterton, printed on the frontispiece of "Unemployment Funds," so completely expresses

the challenge that is being given to every citizen in Canada today, that I quote it here with the hope that it may encourage others of the laity to study the details and meaning of any schemes of social insurance which may be proposed on their behalf:

"We shall go on making those ghastly blunders, and paying for them, so long as the ideal of modern culture is concerned with what is called Progress, or the Future, or what somebody guesses about what nobody knows; what will happen the day after tomorrow; so long as men are accounted cultured and enlightened if they talk of what will happen next month, though they are comically ignorant of what did happen last week; in short, so long as being enlightened means looking for what will happen next, and being more blind than the beasts that perish to everything that has happened already."

GOLD SHARES



(Continued from Page 17)

American business, and, when it comes, selling in the "golds" should be a bullish sign.

Gold shares seem to reflect much of the character of gold. While other commodities and wages fluctuated violently through supply and demand, gold has had the advantage of superior steadiness, the need and supply of it tending to balance, so that with its qualities of permanency and being universally desirable, it is a natural measure of value. With rare exceptions, the price of it has always tended to advance slowly, the supply being a little short of the demand. These qualities have made gold prized in all ages and places.

The mining of gold is always a slow, laborious business in which aside from the richness of individual ores, the only factors affecting profit are costs and wages. As both these tend to go down in times of falling prices, and, depressions, profits in gold mining increase at the very time other profits are disappearing. Also, it follows that profits of gold mining tend to go down in periods of general prosperity or war when costs and wages are mounting. The demand for gold shares normally goes down in good times and up in bad, so their whole outlook is bound up with the general picture of business.

WITH some forty years of acquaintance with gold shares, English and Scottish investors recognize the unique features of "golds" better than we do. For balancing an investment portfolio, they are partial to holding between 10 and 15 per cent. in golds and increasing the percentage in times of uncertainty other than war.

The accompanying chart compares the Dow-Jones Industrial trend with the market action of the principal Canadian gold stocks. It will be readily seen that for the conservative investor, a percentage of good gold shares added balance to his portfolio; while for the trader or speculator a switch to golds was a very profitable move. As switches are always obvious from a backward look at any market, it might be asked what there was to indicate it then. The times at which senior gold

shares sold around 8 to 10 per cent. yields offered a good test of investment judgment.

A few of the facts were that our senior golds had always been very good buys at these yields. From a chart standpoint, the golds had demonstrated their extreme sensitiveness as barometers and their tendency to go into a bear market away in advance of other securities. So that if a person believed that the stock market would repeat itself in more or less familiar phases, the break in the "golds" was a bad sign for the whole market.

To a certain extent also, the "golds" provide a measuring rod for other security values. The factors affecting their costs are generally long term. The earnings in well-established mines with big proven reserves can be more definitely determined than industrial earnings. So that an investor could figure that when a stock like Dome Mines can be bought to yield 8 to 10 per cent., its dividends at that rate are a reasonable certainty of several years at least. Then he can make up his own mind whether he prefers a near-certainty to a speculation on the earnings of some other class of common stock. In the last year for instance, there were few other stocks which were safe holds marketwise, when the Canadian senior golds were selling at very high yields.

In trying to measure security values in the market gyrations of the past 12 months, the investor who placed his faith on the old order of things was at a great advantage. Most of us found this hard to do with fear prevalent that managed currency, \$40 gold, and other modern ideas might have upset natural laws and started the market off on new, uncharted courses.

Now that the big golds are up, well-selected junior producers should receive more attention. A coming phase of the cycle should see selling in the "heavy" golds to take advantage of out-of-line values in other securities when the general business picture brightens. In brief, confidence in the old order of things and in the tendency of market cycles to repeat themselves in more or less familiar phases, still seems the best bet.

BUREAUCRACY MARCHES ON

(Continued from Page 21)

The Board order designating Interior Vegetable Marketing Agency as its agency had in effect created the latter a jobber, with the result that a monopoly had been set up for which there was no authority under the Provincial Marketing legislation.

Just in case the Privy Council should declare its present beloved marketing legislation invalid and necessitate the abandonment of Board domination in B.C., the Provincial Government at the recent session of the Legislature buttressed up its Natural Products Marketing Act with a strong new amendment providing that even if the Privy Council should decide that part of the Marketing Act is invalid the rest shall stand and remain in effect.

ITS thirst for bureaucracy still unallayed after copious draughts of marketing legislation, the B.C. Legislature at its last session passed an Act to Amend and Consolidate the Department of Mines Act, under which six statutes which have long existed as part of the mining laws of the Province cease to exist and in their place the Department of Mines will have authority to legislate for control of mining by Order-in-Council. Clause 3 of the new Act gives the Department of Mines charge and control of all matters affecting mining except as otherwise provided in any other Act and Clause 16 empowers the Lieutenant-Governor-in-Council to make such rules, orders and regulations and fix and enforce the payment of such fees in respect to anything done or permitted to be done under the Act as may be required for the purpose of effectually carrying out the Provisions of the Act; and every rule, order or regulation so made and every fee prescribed

shall have the same force and effect as if expressly enacted in the Act.

Recollection of the Department of Mines unenviable record in the Hedley Amalgamated fiasco, which could have been greatly mitigated if not entirely avoided had it not been for the department's action in withholding one of its engineer's reports written months before the crash questioning the company's assay figures and suggesting the possibility of selling, does not inspire confidence in the ability of the Department to set itself up as a supreme dictator of B.C.'s Mining industry.

In a recent article in SATURDAY NIGHT reference was made to the injection of party politics into the administration of the International Halibut Commission. The truth of this contention was amply borne out when in the legislature in December Hon. G. S. Pearson, Minister of Fisheries, admitted frankly that in the dismissal of G. J. Alexander from the Commission he had bowed to the wishes of the Executive Council, though personally he considered Mr. Alexander an ideal representative of British Columbia. It will be recalled that Mr. Alexander was replaced by L. S. Patmore, Premier Patullo's campaign manager in his last election in the Prince Rupert riding.

What is going to ultimately happen to the producer and consumer of the Pacific Coast Province if the B.C. Government continues to stand pat on the marketing question and to persist in its assumption of dictatorial powers, is too horrible to contemplate. Ultimately the independents will run out of funds with which to conduct the seemingly endless litigation into which the Government is forcing them, boards will control every phase of human endeavour and Fascism will reign supreme.

New Issue

\$300,000

Direct Motor Express Limited

(Incorporated under the laws of the Province of Ontario)

6% Cumulative Sinking Fund Convertible Preference Shares

Capitalization

(Upon completion of the present financing)

6% Preference Shares (of \$100.00 par value).....	Authorized \$500,000	To Be Issued \$300,000
Common Stock (no par value).....	150,000 shs.*	60,000 shs.

*20,000 of the unissued Common Shares are reserved for conversion of the 6% Preference Shares, which are convertible at any time at the holder's option on the basis of four (4) Common Shares for each Preference Share of \$100.00.

Company—Direct Motor Express Limited has been incorporated to acquire all the issued share capital of Direct Transport Limited, Toronto, and Schell Transports Limited, Woodstock. The companies operate motor truck transport services, under Ontario licenses, over routes extending from Gananoque through Toronto to Windsor, with special American privileges permitting operation into Detroit. All the more important centres in the densely populated and industrialized areas of eastern and western Ontario are included in the territory and routes which Direct Motor Express Limited will service.

Equipment—The companies own 174 units of automotive equipment: 7 automobiles, 57 trucks, 45 tractors and 65 trailers. These are carried at cost of \$275,765.97, against which reserves of \$113,939.43 for depreciation have been provided. All equipment is modern and maintained at high efficiency.

Working Capital—Net working capital in the certified pro forma balance sheet as at November 30, 1937, is shown at \$102,449.18.

Revenue—For the year 1937, the companies had combined net freight revenue of approximately \$650,000. The improved facilities should permit revenue to be substantially increased.

Advantages of Consolidation—This issue offers the first opportunity for public investment in the motor transport industry in Ontario, which has made such rapid strides that its progress has not been generally realized, and the service is now so well established as to ensure its permanence. The merging of interests in Direct Motor Express Limited will result in important economies and will form an important nucleus for further consolidation.

We offer these Preference Shares if, as and when issued and received by us, subject to the approval of all legal details on our behalf by Messrs. McMaster, Montgomery, Fleury & Company, Toronto. The right is reserved to reject any or all applications and also in any case to award a smaller amount than is applied for.

PRICE: \$100.00 and accrued dividend, yielding 6%, and carrying a Bonus Share Warrant for 1 Common Share no par value*

*Attached to each Preference Share Certificate will be a non-detachable Bonus Share Warrant entitling the holder to receive after the declaration and before the payment of the initial dividend on the Common Stock, to which the holder will also be entitled, the bonus of one (1) Common Share for each Preference Share held.

Certificates are expected to be ready for delivery about March 1, 1938.

Detailed prospectus will be furnished on request.

Harrison & Company

LIMITED

320 BAY STREET — TORONTO — TELEPHONE: WAVERLEY 1891

The statements contained herein are based on information we believe to be reliable but are in no event to be construed as representations by us.

